Evidence of Coverage

Effective January 01, 2006 – December 31, 2006

Preferred Provider Organization

PERS Choice

CalPERS

HOW TO REACH US

Important: For all members outside of the United States, contact the operator in the country you are in to assist you in making a toll-free number call.

CUSTOMER SERVICE

For medical claims status, benefit information, identification cards, booklets, or claim forms, call:

Customer Service Department
Blue Cross of California
1-877-737-7776
1-818-234-5141 (outside the continental U.S.)
1-818-234-3547 (TDD)
Web site: www.bluecrossca.com

Please mail your correspondence and non-PPO medical claims to:

PERS Choice Health Plan
Blue Cross of California
P.O. Box 60007
Los Angeles, CA 90060-0007

Please see page 11 for more information about the BlueCard PPO Network.

UTILIZATION REVIEW SERVICES

To obtain precertification for hospitalizations and specified services, call:

The Review Center
Blue Cross of California
1-800-451-6780
1-818-234-5141 (outside the continental U.S.)

MEDCALL

You can reach a specially trained registered nurse who can address your health care questions by calling MedCall at 1-800-700-9185. Registered nurses are available to answer your medical questions 24 hours a day, seven days a week. Be prepared to provide your name, the patient's name (if you're not calling for yourself), the subscriber's identification number, and the patient's phone number.

PRESCRIPTION DRUG PROGRAM

For information regarding the Retail Pharmacy Program or Mail Service Program, call:

Caremark Inc.
1-866-999-7377 (U.S., Canada and Mexico)
1-210-403-8288 (International)
Web site: www.caremark.com

ELIGIBILITY AND ENROLLMENT

For information concerning eligibility and enrollment, contact the Health Benefits Officer at your agency (active) or the CalPERS Office of Employer and Member Health Services (retirees). You also may write:

Office of Employer and Member Health Services
CalPERS
P.O. Box 942714
Sacramento, CA 94229-2714

Or call:

(888) CalPERS (225-7377)
(916) 795-3240 (TDD)

ADDRESS CHANGE

Active Employees: To report an address change, active employees should complete and submit the proper form to their employing agency's personnel office.

Retirees: To report an address change, retirees may contact CalPERS by phone at (888) CalPERS-(225-7377), on-line at www.calpers.ca.gov, or submit a signed written notification, including identification number, new address, and other pertinent information, to:

Office of Employer and Member Health Services
CalPERS
P.O. Box 942714
Sacramento, CA 94229-2714

PERS Choice MEMBERSHIP DEPARTMENT

For direct payment of premiums, contact:

PERS Choice Membership Department
Blue Cross of California
P.O. Box 629
Woodland Hills, CA 91365-0629
1-877-737-7776
1-818-234-5141 (outside the continental U.S.)

PERS Choice WEB SITE

Visit our Web site at:

www.calpers.ca.gov

MedCall

Your Plan includes MedCall, a 24-hour nurse assessment service to help you make decisions about your medical care. You can reach a specially trained registered nurse to address your health care questions by calling MedCall toll free at **1-800-700-9185**. If you are outside of the United States, you should contact the operator in the country you are in to assist you in making the call. Registered nurses are available to answer your medical questions 24 hours a day, seven days a week. Be prepared to provide your name, the patient's name (if you're not calling for yourself), the subscriber's identification number, and the patient's phone number.

The nurse will ask you some questions to help determine your health care needs.* Based on the information you provide, the advice may be to:

- Take care of yourself at home. A follow-up phone call may be made to determine how well home self-care is working.
- Schedule a routine appointment within the next two weeks, or an appointment at the earliest time available (within 64 hours), with your physician. If you do not have a physician, the nurse will help you select one by providing a list of physicians who are Preferred Providers in your geographical area.
- Call your physician for further discussion and assessment.
- Go to the emergency room in a Preferred Provider hospital.
- Immediately call 911.

In addition to providing a nurse to help you make decisions about your health care, MedCall gives you free unlimited access to its Audio Health Library, featuring recorded information on more than 100 health care topics. To access the Audio Health Library, call toll-free 1-800-700-9185 and follow the instructions given.

* Nurses cannot diagnose problems or recommend specific treatment. They are not a substitute for your physician's care.

Health Improvement Programs

Your Plan includes Health Improvement Programs to help you better understand and manage specific chronic health conditions and improve your overall quality of life. Health Improvement Programs provide you with current and accurate data about asthma, diabetes, and heart disease, depression screening plus education to help you better manage and monitor your condition.

You may be identified for participation through paid claims history, hospital discharge reports, physician referral, or Case Management, or you may request to participate by calling Health Improvement Programs toll free at **1-800-522-5560**. Participation is voluntary and confidential. These programs are available at no cost to you. Once identified as a potential participant, a Health Improvement Programs representative will contact you. If you choose to participate, a program to meet your specific needs will be designed. A team of health professionals will work with you to assess your individual needs, identify lifestyle issues, and support behavioral changes that can help resolve these issues. Your program may include:

- Mailing of educational materials outlining positive steps you can take to improve your health; and/or
- Phone calls from a nurse or other health professional to coach you through self-management of your condition and to answer questions.

Health Improvement Programs offer you assistance and support in improving your overall health. They are not a substitute for your physician's care.

TABLE OF CONTENTS

BENEFIT AND ADMINISTRATIVE CHANGES

The following is a brief summary of benefit and administrative changes that will take effect January 1, 2006. Be sure to refer to the Medical and Hospital Benefits section, Utilization Review section, Outpatient Prescription Drug Program section, Benefit Limitations, Exceptions and Exclusions section and Definitions section for more information.

- **Bariatric Surgery –** Services and supplies in connection with medically necessary surgery for treatment of adult morbid obesity are covered only when precertification is obtained prior to receiving services and the surgery is performed at an approved Centers of Expertise facility.

- **Smoking Cessation Program –** The plan will reimburse the Plan Member for expenses, up to $100 each calendar year, incurred for smoking cessation counseling or classes or alternative treatments such as acupuncture and biofeedback. In addition, up to a three-month supply of prescription drugs for treatment of nicotine dependency or tobacco use is covered each calendar year through the Outpatient Prescription Drug Program.

- **Telemedicine Program –** Health care services provided via telemedicine through Blue Cross of California's Telemedicine Network are covered for Plan Members residing in rural areas of California.

- **Services Requiring Precertification –** Outpatient professional office visits for mental health or substance abuse treatment provided by a licensed physician/psychiatrist, clinical psychologist or master's level therapist do not require precertification prior to obtaining services. Outpatient facility-based care for the treatment of mental disorders or substance abuse requires precertification prior to obtaining services.

- **Durable Medical Equipment –** The plan will cover one medically necessary scalp hair prosthetic, up to $350 each calendar year, for alopecia areata, alopecia totalis, or alopecia medicamentosa, resulting from the treatment of any form of cancer or leukemia.

PERS Choice SUMMARY OF BENEFITS

The following chart is only a summary of benefits under your PERS Choice plan. Please refer to the Medical and Hospital Benefits section beginning on page 25 and the Outpatient Prescription Drug Program section beginning on page 48 for specific information and limitations. It will be to your benefit to familiarize yourself with the rest of this booklet before you need services so that you will understand your responsibilities for meeting Plan requirements. Deductibles and copayments applied to any other CalPERS-sponsored health plan will not apply to PERS Choice and vice versa. **Lack of knowledge of or lack of familiarity with this information does not serve as an excuse for noncompliance.**

Calendar Year Deductible

For each Plan Member **$500**

For each family **$1,000**

(See page 16 for services not subject to the deductible.)

Emergency Room Deductible ....**$50 per visit**
(Deductible does not apply if you are admitted to a hospital for outpatient medical observation or on an inpatient basis immediately following emergency room treatment.)

Maximum Copayment Responsibility for PPO Provider Services

For each Plan Member..... **$3,000**

For each family..... **$6,000**

(Non-PPO provider copayments are not applied toward this amount and are the Member's responsibility. See page 17 for more information.)

Important Note: In addition to the amounts shown below, you are required to pay any charges for services provided by a non-preferred provider or an other provider which are in excess of the allowable amount, plus all charges for non-covered services.

Benefits	Covered Services	Member Pays		Contact Review Center
		PPO	Non-PPO	
Hospital Inpatient p. 33	Room and board, general nursing care services, operating and special care room fees, diagnostic X-ray and laboratory services.	20%	40%	Yes
Outpatient p. 33	Diagnostic, therapeutic and surgical services, including radiation therapy, chemotherapy treatments and kidney dialysis.	20%	40%	No (unless listed on page 45)
Ambulatory Surgery Center p. 25 - 26	Services in connection with outpatient surgery.	20%	40%	No (unless listed on page 45)
Physician Services p. 37	Office visits and outpatient hospital visits. Note: This copayment applies to the charge for the physician visit only.	$20 copay (office visit only)	40%	No
	Other services, including affiliated facility charges	20%	40%	No
Preventive Care p. 37	Immunizations and periodic health exams.	No Charge	40%	No
Diagnostic X-ray/Laboratory p. 29	Outpatient diagnostic X-ray and laboratory services, including Pap tests and mammograms for treatment of illness.	20%	40%	No

Benefits	Covered Services	Member Pays PPO	Member Pays Non-PPO	Contact Review Center
Hearing Aid Services p. 31	Audiological evaluation and hearing aid supplies; visits for fitting, counseling, adjustment, and repair. Up to $1,000 once every 36 months for hearing aid(s).	20%	40%	No
Maternity p. 33 - 34	Prenatal and postnatal care; deliveries, hospitalization and newborn nursery care.	20%	40%	No
Family Planning p. 31	Services for voluntary sterilization and medically necessary abortions.	20%	40%	No
Natural Childbirth Classes p. 35	Lamaze classes given by licensed instructors certified by ASPO/Lamaze Childbirth Educators.	Plan pays 50% of registration fee up to $50, whichever is less.		No
Ambulance p. 25	Air or ground ambulance services when medically necessary.	20%	20%	No
Emergency Care Services p. 30 - 31	Services required for the alleviation of the sudden onset of severe pain or the immediate diagnosis and treatment of an unforeseen illness or injury which could lead to further significant disability or death, or which would so appear to a prudent layperson. Note: Emergency room facility charges for non-emergency care services are the Plan Member's responsibility. A $50 emergency room deductible applies for covered emergency room charges unless admitted to the hospital for outpatient medical observation or on an inpatient basis. If admitted to the hospital for outpatient medical observation or on an inpatient basis, the $50 emergency room deductible is waived.	20%	20%	Yes (Hospital Admissions only)
Mental Health Inpatient p. 34	Hospital/physician services to stabilize an acute psychiatric condition, up to 20* days per calendar year.	20%	40%	Yes
Outpatient p.34 - 35	Medically necessary treatment to stabilize an acute psychiatric condition, up to 24* visits per calendar year. *Severe mental illness and serious emotional disturbances of a child are NOT subject to either of the visit or day maximums.	20%	40%	Yes (outpatient facility-based care only)
Substance Abuse	$12,000 lifetime maximum payment for any combination of inpatient and outpatient services.			
Inpatient p. 39	Hospital/physician services for short-term (3 to 5 days) medical management of detoxification or withdrawal symptoms, up to 20 days per calendar year.	20%	40%	Yes

Benefits	Covered Services	Member Pays PPO	Member Pays Non-PPO	Contact Review Center
Outpatient p. 39	Medically necessary treatment to stabilize an acute substance abuse condition, up to 24 visits per calendar year.	20%	40%	Yes (outpatient facility-based care only)
Home Health Care p. 31 - 32	Medically necessary skilled care, not custodial care, furnished by a Home Health Agency, up to $6,000 per calendar year.	20%	40%	Yes
Home Infusion Therapy p. 32	Pharmaceuticals and medical supplies.	20%	40%	Yes
	Skilled nursing visits in association with home infusion therapy services (provided under the Home Health Care benefit).	20%	40%	Yes
Skilled Nursing Facility p. 38	Medically necessary skilled care, not custodial care, in a skilled nursing facility, up to 100 days per calendar year.	20% for 1st 10 days	40%	Yes
		30% next 90 days	40%	Yes
Therapies				
Speech p. 35 - 36	Services provided by a qualified speech therapist for an acute condition; $5,000 lifetime maximum.	20%	40%	No
Physical p. 36	Services provided by a licensed physical therapist for an acute condition.	20%	40%	No
Occupational p. 36	Services provided by a licensed occupational therapist for an acute condition. Benefits are limited to a combined total of $3,500 per calendar year for physical and occupational therapy.	20%	20%	No
Acupuncture p. 28	Services provided by a certified acupuncturist or any other qualified provider.	20%	40%	No
Chiropractic p. 28	Services provided by a licensed chiropractor. Benefits are limited to 15 visits per calendar year for any combination of chiropractic and acupuncture services.	20%	40%	No
Durable Medical Equipment p. 30	Rental or purchase of durable medical equipment, including one pair custom molded and cast shoe inserts per calendar year, and outpatient prosthetic appliances, including one scalp hair prosthetic up to $350 per calendar year, up to a combined maximum of $3,000 per calendar year.	20%	40%	No

Benefits	Covered Services	Member Pays PPO	Member Pays Non-PPO	Contact Review Center
Other Benefits	Unreplaced blood	20%	20%	No
	Reconstructive surgery — see page 38.	20%	40%	Yes
	TMD and Maxillomandibular Musculoskeletal Treatment — see pages 40 - 41.	20%	40%	Yes
	Transplant Benefits			
	Kidney, Cornea, and Skin — see page 41.	20%	40%	Yes
	Special Transplants only at Blue Cross Centers of Expertise — see pages 41 - 43.	20%	20%	Yes
	Hospice Care — $10,000 lifetime maximum. See pages 32 - 33.	20%	20%	No
	Outpatient Cardiac Rehabilitation — up to $1,500 per calendar year. See page 36.	20%	40%	No
	Outpatient Pulmonary Rehabilitation — up to $1,500 per calendar year. See page 36.	20%	40%	No
	Christian Science Treatment — see page 28.	20%	20%	No
	Cancer Clinical Trials — see page 27.	20%	20%	Yes (Hospital Admissions only)
	Bariatric Surgery only at Blue Cross Centers of Expertise — see page 26.	20%	20%	Yes
	Smoking Cessation Program — see pages 38 - 39.	Plan pays 100% of program fee up to $100 per calendar year.		No

Benefits	Covered Services	Member Pays
Prescription Drugs p. 48 - 56	**Retail Pharmacy Program** up to a 30-day supply	$5 generic $15 Preferred (On Caremark's Preferred Drug List) brand-name medications $45 Non-Preferred (Not on Caremark's Preferred Drug List) brand-name medications $30 for Medically Necessary waiver of Non-Preferred brand copay **
	Maintenance medications*, if purchased at a retail pharmacy after 2nd fill	$10 generic $25 Preferred (On Caremark's Preferred Drug List) brand-name medications $75 Non-Preferred (Not on Caremark's Preferred Drug List) brand-name medications $45 for Medically Necessary waiver of Non-Preferred brand copay **
	Mail Service Program up to a 90-day supply Maintenance medications.* A $1,000 maximum copayment per person per calendar year applies.	$10 generic $25 Preferred (On Caremark's Preferred Drug List) brand-name medications $75 Non-Preferred (Not on Caremark's Preferred Drug List) brand-name medications $45 for Medically Necessary waiver of Non-Preferred brand copay **
	* Maintenance medications are drugs that do not require frequent dosage adjustments, which are usually prescribed to treat a long-term condition, such as birth control, or a chronic condition, such as arthritis, diabetes, or high blood pressure. These drugs are usually taken longer than sixty (60) days. Refer to the Outpatient Prescription Drug Program on page 48 for more information.	** In order to obtain a waiver of the Non-Preferred Brand copay, you must request a waiver of the Non-Preferred Brand copay based on medical necessity through Caremark's formal appeals process outlined on page 79.

INTRODUCTION

Welcome to PERS Choice!

As a Preferred Provider Organization (PPO) plan, PERS Choice allows you to manage your health care through the selection of physicians, hospitals, and other specialists who you determine will best meet your needs. By becoming familiar with your coverage and using it carefully, you will become a wise health care consumer.

Blue Cross establishes medical policy for PERS Choice, processes medical claims, and provides the Preferred Provider Network of physicians, hospitals, and other health care professionals and facilities. In California, providers participating in the Preferred Provider Network are referred to as “Prudent Buyer Plan Providers.” Blue Cross of California also has a relationship with the Blue Cross and Blue Shield Association, which allows you to access the nationwide BlueCard Preferred Provider Network under this Plan.

Blue Cross’ Review Center provides utilization review of hospitalizations, specified services, and outpatient surgeries to ensure that services are medically necessary and efficiently delivered.

MedCall provides a toll-free phone line, where registered nurses are available to answer your medical questions 24 hours a day, seven days a week.

Caremark provides comprehensive pharmaceutical therapy management services for PERS Choice. These services include administration of the Retail Pharmacy Program and the Mail Service Program; delivery of specialty pharmacy products such as biotechs and injectables; clinical pharmacist consultation; and clinical collaboration with your physician to ensure you receive optimal total healthcare.

Please take the time to familiarize yourself with this booklet. As a PERS Choice Member, you are responsible for meeting the requirements of the Plan. **Lack of knowledge of, or lack of familiarity with, the information contained in this booklet does not serve as an excuse for noncompliance.**

Thank you for joining PERS Choice!

HOW TO USE THE PLAN

PERS Choice Identification Card

Following enrollment in PERS Choice, you will receive a PERS Choice ID card. Simply present this card to receive medical services and prescription drug benefits of the Plan. If you need a replacement card or a card for a family member, call the Blue Cross Customer Service Department at 1-877-737-7776.

Possession of a PERS Choice ID card confers no right to services or other benefits of this Plan. To be entitled to services or benefits, the holder of the card must, in fact, be a Plan Member on whose behalf premiums have actually been paid, and the services and benefits must actually be covered and/or preauthorized as appropriate.

If you allow the use of your ID card (whether intentionally or negligently) by an unauthorized individual, you will be responsible for all charges incurred for services received. Any other person receiving services or other benefits to which he or she is not entitled, without your consent or knowledge, is responsible for all charges incurred for such services or benefits.

Benefits of this Plan are available only for services and supplies furnished during the term the Plan is in effect and while the benefits you are claiming are actually covered by this Plan.

If benefits are modified, the revised benefits (including any reduction in benefits or elimination of benefits) apply to services or supplies furnished on or after the effective date of modification. There is no vested right to receive the benefits of this Plan.

Choosing A Physician/Hospital

Your copayment responsibility will be lower and claims submission easier if you choose Preferred Providers for your health care. (For more information, see Maximum Calendar Year Copayment Responsibility on page 17, and Payment and Member Copayment Responsibility on page 19.) To receive the highest level of benefits available under this Plan, make sure the providers you are using are Preferred Providers.

In California

The Preferred Provider Network available to PERS Choice Members in California is called the Prudent Buyer Plan Network. Blue Cross has contracted with three out of four eligible doctors in California to participate in the Prudent Buyer Plan Network. This extensive network includes over 44,990 physicians, 435 hospitals, and over 310 ambulatory surgery centers, in addition to many other types of providers.

To make sure you are using a Prudent Buyer Plan Provider, you may:

--Call Customer Service at 1-877-737-7776 to verify that the provider you want to use is a Prudent Buyer Plan Provider.

--Ask your physician or provider if he or she is a Prudent Buyer Plan Provider (many providers display signs in their lobbies indicating that they are Blue Cross Prudent Buyer Plan Providers).

--Access the Web site at www.bluecrossca.com.

--Request a Prudent Buyer Plan Directory by calling 1-877-737-7776.

Outside California

Blue Cross of California has a relationship with the Blue Cross and Blue Shield Association which administers the BlueCard Program. The BlueCard Program allows PERS Choice Members who live or are traveling outside California and require medical care or treatment to use local Blue Cross and/or Blue Shield Plan participating providers throughout the United States. (For more information, see Understanding BlueCard on page 11.)

Through the BlueCard Program, you have access to more than 550,000 physicians and over 61,000 hospitals participating in the Blue Cross and/or Blue Shield network of Preferred Providers.

To locate a Blue Cross or Blue Shield Plan participating provider, you may:

--Call the toll-free BlueCard Provider Access number at 1-800-810-BLUE (1-800-810-2583).

--Ask your physician or provider if he or she participates in the local Blue Cross and/or Blue Shield Plan.

--Access the BlueCard Doctor and Hospital Finder link on the Blue Cross and Blue Shield Association Web site at www.bluecares.com.

--Request a Preferred Provider Directory by calling 1-877-PERS-PPO (1-877-737-7776).

Changes frequently occur after the directories are published; therefore, it is your responsibility to verify that the provider you choose is still a Preferred Provider and that any providers you are referred to are also Preferred Providers.

Subimo Healthcare Advisor

To assist PERS Choice Members in obtaining information regarding health conditions, treatments and resources, the Blue Cross of California Web site, www.bluecrossca.com, offers a link to Subimo™, an interactive Web site where you can:

--Find additional information about your health condition, treatment options and what to expect. You can research common complications and risks for a particular procedure and how quickly most people recover.

--Screen hospitals in a select area based on clinical quality and experience, reputation, performance data, or other hospital characteristics. Quality and medical data for hospitals throughout the United States is available.

Note: The list of hospitals displayed will include those in the Preferred Provider Network and Non-Preferred Providers. To receive the highest level of benefits available under this Plan, it is your responsibility to verify the provider you choose is a Preferred Provider.

You can access the hotlink to Subimo's Web site by visiting the Blue Cross Home Page, www.bluecrossca.com, logging in to Member Services, and selecting Subimo from the menu options.

The Subimo Web site is owned and operated by Subimo, LLC, PO Box 5335, River Forest, IL 60305. Subimo, LLC, is solely responsible for its Web site and is not affiliated with Blue Cross of California or any affiliate of Blue Cross of California.

The information on the Subimo Web site is intended for general information and may not apply to your particular condition. It is not intended to replace or substitute for the opinion or advice of your treating healthcare professional regarding your medical condition or treatment. You should always seek prompt medical care from a qualified healthcare professional about the specifics of your individual situation if you have any questions regarding your medical condition or treatment.

Neither CalPERS nor the Plan is responsible for the information in the Subimo Web site and disclaim any liability with respect to information obtained from or through the Subimo Web site and the Member's use thereof.

Service Areas

PERS Choice has established geographic service areas to determine the percentage of reimbursement for covered medical and hospital services. The benefits available through PERS Choice depend on whether you and your family use Preferred Providers, except for emergencies. Reimbursement for covered services also depends on whether you are in-area or out-of-area.

If you must travel more than fifty (50) miles from your home to the nearest Blue Cross of California Prudent Buyer Plan provider or local Blue Cross and/or Blue Shield Plan provider, you are considered to be outside the PERS Choice service area. Out-of-area medical and hospital services, including services received in a foreign country, are reimbursed at the Preferred Provider (PPO) level, based on Blue Cross of California's Allowable Amounts.

If your address of record indicates that you reside within the PERS Choice service area (in-area) but you choose to receive services out-of-area, benefits will be reimbursed at the non-Preferred Provider level if services are received from a non-Preferred Provider.

In California

Using the criteria noted in the Service Areas section, the following California ZIP Codes will be considered "out-of-area" for reimbursement of covered medical and hospital services.

COUNTIES	ZIP CODES
Humboldt	95556
Inyo	92328, 92384, 92389, 93513 93514, 93515, 93522, 93526 93530, 93545, 93549
Modoc	96108
Mono	93512, 93517, 93529, 93541 93546, 96107, 96133
Riverside	92239
San Bernardino	92242, 92267, 92280, 92309 92319, 92323, 92332, 92364 92366, 93562
Siskiyou	95568, 96023, 96039, 96058 96086, 96134

Outside California

Although there are Preferred Providers available in 41 Blue Cross and/or Blue Shield Plans across the country, there are a few areas in the United States that do not have PPO providers located within a PERS Choice service area. Members in those areas shall be considered "out-of-area." Covered services for out-of-area Members will be reimbursed at the higher Preferred Provider level of benefits.

To find out if you are considered out-of-area, please call Customer Service at 1-877-737-7776.

Outside the United States

For Medical Claims: The benefits of this Plan are provided anywhere in the world. With the exception of services provided by a hospital participating in the BlueCard Worldwide Network (see page 12), if you are traveling or reside in a foreign country and need medical care, you may have to pay the bill and then be reimbursed. You should ask the provider for an itemized bill (written in English). The bill must then be submitted directly to **Blue Cross at P.O. Box 60007, Los Angeles, CA 90060-0007**. Members traveling or residing outside the United States shall be considered "out-of-area." Covered services for these Members will be reimbursed at the higher Preferred Provider level of benefits.

For Prescription Drug Claims: There are no participating pharmacies outside of the United States. To receive reimbursement for outpatient prescription medications purchased outside the United States, complete a Caremark Prescription Drug Claim Form and mail the form along with your pharmacy receipt to Caremark at P.O. Box 686006, San Antonio, TX 78268-6006. Prescription medication covered by the Plan will be reimbursed at one hundred percent (100%), minus a forty-five dollar ($45) copayment for a 1-month supply, based on the foreign exchange rate on the date of service. **Claims must be submitted within twelve (12) months from the date of purchase.**

Understanding BlueCard

What Is BlueCard?

BlueCard is a national program that allows PERS Choice Basic Plan Members access to Blue Cross and/or Blue Shield Preferred Providers currently in 41 Blue Cross and/or Blue Shield Plans across the country. The BlueCard Program is administered by the national Blue Cross and Blue Shield Association, of which Blue Cross of California is a member/Independent Licensee.

Who Has BlueCard Program Preferred Provider Access?

All Members with PERS Choice Basic Plan coverage have BlueCard Program Preferred Provider access. BlueCard Program Preferred Providers will identify you as a BlueCard Member by the small black suitcase logo containing the letters "PPO" on the front of your ID card. (The suitcase logo does not appear on Alabama Members' ID cards due to state restrictions.)

When May I Access BlueCard Program Preferred Providers?

Members may access BlueCard Program Preferred Providers anytime. California Members may use local Blue Cross and/or Blue Shield Plan participating providers when needing medical care or treatment outside of California. Out-of-state Members may use participating providers that contract with other Blue Cross and/or Blue Shield Plans when needing medical care or treatment outside of the state or service area covered by their local Blue Cross and/or Blue Shield Plan.

How Do I Use BlueCard?

Call 1-800-810-BLUE (1-800-810-2583) for the names and phone numbers of Preferred Providers in the area that can give you care or to inquire whether the physician or facility you are planning to use is a Preferred Provider. Access the BlueCard Doctor and Hospital Finder link on the Blue Cross and Blue Shield Association Web site at www.bluecares.com. You may also obtain a provider directory by calling Blue Cross of California at 1-877-PERS-PPO (1-877-737-7776). When you present your PERS Choice ID card to a BlueCard Preferred Provider, the provider verifies your membership and coverage by calling the Customer Service number printed on the front of your ID card.

When you get covered health care services through the BlueCard Program, the amount you pay for covered services is calculated on the lower of the:

- The billed charges for your covered services; or
- The negotiated price that the local Blue Cross and/or Blue Shield Plan passes on.

This “negotiated price” is calculated in one of three ways: 1) a simple discount that reflects the actual price the local Blue Cross and/or Blue Shield Plan pays; 2) an estimated price that takes into account special arrangements with the provider or a provider group that include settlements, withholds, non-claims transactions and other types of variable payments; and 3) an average price, based on a discount that results in expected average savings after taking into account the same special arrangements used to obtain an estimated price. Average prices tend to vary more from actual prices than estimated prices.

Negotiated prices may be adjusted going forward to correct for over- or underestimation of past prices. However, the amount you pay is considered a final price.

Laws in a small number of states may require the local Blue Cross and/or Blue Shield Plan to add a surcharge to your calculation. If any state laws mandate other liability calculation methods, including a surcharge, we would then calculate your liability for any covered health care services according to the applicable state statute in effect when you received care.

How Does BlueCard Program Claim Filing Work?

The BlueCard Program Preferred Provider will file your claim with the local Blue Cross and/or Blue Shield Plan. The local Blue Cross and/or Blue Shield Plan transmits the claim electronically to Blue Cross of California. Blue Cross of California applies PERS Choice benefits, electronically transmits the approved payment amount back to the provider's local Blue Cross and/or Blue Shield Plan, and then sends you an Explanation of Benefits (EOB). The local plan sends payment and an EOB to the provider. If non-Preferred Providers are used, the Member or provider needs to submit the claim to the local Blue Cross and/or Blue Shield Plan.

What If I Use Out-of-Network Providers?

Benefits are paid at the non-Preferred Provider reimbursement level unless:

- You require emergency care services.
- There are no Preferred Providers available. Call 1-800-810-BLUE (1-800-810-2583) to verify whether there are any Preferred Providers available to you BEFORE you receive services.
- You live outside California and are considered an "out-of-area" Member.

Members and/or out-of-network providers must submit claims for services delivered by out-of-network providers directly to the local Blue Cross and/or Blue Shield Plan, using a claim form.

For more information, please see the Payment and Member Copayment Responsibility section, beginning on page 19.

What Is BlueCard Worldwide And How Does It Work?

The BlueCard Worldwide Program assists you in finding hospitals available to you in major international travel destinations. The BlueCard Worldwide network is available for medical care or treatment requiring an overnight stay in a hospital. When you need inpatient hospital care outside the United States, simply present your PERS Choice ID card at a participating hospital. The hospital will send a claim to Blue Cross of California and will charge you only the appropriate copayment or deductible amounts. You may obtain a brochure containing further information, including how to locate participating hospitals, by calling the Customer Service telephone number printed on the front of your ID card. You may also call the BlueCard Worldwide Service Center at 1-800-810-BLUE (1-800-810-2583) or access the BlueCard Doctor and Hospital Finder link on the Web site at www.bluecares.com to locate a participating hospital in the country you are visiting.

Accessing Services

If you need emergency care, call your physician or go to the nearest facility that can provide emergency care. Present your PERS Choice ID card and make sure that you, a family member, or a friend contact the Review Center at 1-800-451-6780 within twenty-four (24) hours or by the end of the first business day following admission, whichever is later. Failure to notify the Review Center within the specified time frame may result in increased copayment responsibility and/or denial of benefits.

Before receiving non-emergency services, be sure to discuss the services and treatment thoroughly with your physician and other provider(s) to ensure that you understand the services you are going to receive. Then refer to the Medical and Hospital Benefits section beginning on page 25 and the Benefit Limitations, Exceptions and Exclusions section beginning on page 57 to make sure the proposed services are covered benefits of this Plan. If you are still not sure whether the recommended services are benefits of this Plan, please refer to the inside front cover of this booklet for the appropriate number to call for assistance.

If precertification by the Review Center is required, please refer to pages 44 through 47 and remember to call the Review Center before services are provided to avoid increased copayment responsibility on your part. **Do not assume the Review Center has been contacted — confirm with the Review Center yourself.**

Utilization Review

Utilization review is designed to involve you in an educational process that evaluates whether health care services are medically necessary, provided in the most appropriate setting, and consistent with acceptable treatment patterns found in established managed care environments. Blue Cross of California's Review Center reviews inpatient hospitalizations, including emergencies but excluding maternity admissions under a 48-hour stay for a normal delivery or a 96-hour stay for a Cesarean delivery and admissions for mastectomy or lymph node dissection. The Review Center also reviews other medical services, including treatment of severe mental illness, serious emotional disturbances of a child, other mental disorders, substance abuse and outpatient surgical procedures.

Contacting the Review Center when necessary, before receiving services, and complying with the Review Center's recommendations can help you receive maximum benefit coverage and thus minimize your out-of-pocket costs. The Review Center may monitor your care during treatment and throughout a hospitalization to help ensure that quality medical care is efficiently delivered.

Services which are determined by the Review Center not to be medically necessary or efficiently delivered may not be covered under the Plan. Failure to obtain precertification from the Review Center within the specified time frame may result in increasing your copayment responsibility by the application of financial sanctions or denial of payment.

Refer to pages 44 through 47 for more information on utilization review procedures, and to page 24 for more information on financial sanctions.

Outpatient Prescription Drug Program

Outpatient prescription drugs prescribed in connection with a covered illness or accidental injury and dispensed by a registered pharmacist may be obtained either through the Retail Pharmacy Program or the Mail Service Program.

Your copayment will vary based on which program (retail or mail service) you use, whether you select a generic medication, a brand-name medication listed on Caremark's Preferred Drug List, or a brand-name medication that is not listed on Caremark's Preferred Drug List. To find out if your medication is on Caremark's Preferred Drug List, visit the Caremark Web site at www.caremark.com, or contact Caremark Customer Service at 1-866-999-7377.

Refer to pages 49 and 50 for information on Caremark's Retail Pharmacy Program and to pages 51 and 52 for information on Caremark's Mail Service Program. Page 50 contains information on how to file a paper claim with Caremark. For the name of a Participating Pharmacy close to you, visit the Caremark Web site at www.caremark.com, or contact Caremark Customer Service at 1-866-999-7377.

Medical Services

When you need health care, simply present your PERS Choice ID card to your physician, hospital, or other licensed health care provider. Remember, your copayment responsibility will be lower if you choose a Preferred Provider.

Refer to page 63 for information on filing a medical claim.

Appeals

If you disagree with the processing of or the decision made on your claim and you wish to contest the decision, you must first appeal through the appropriate third-party administrator (Blue Cross for medical or Caremark for pharmacy). If you wish to pursue the matter after exhaustion of the third-party administrator's appeal procedures, you may request a final administrative determination from CalPERS within thirty (30) days of the appropriate third-party administrator's final decision. For detailed information, see CalPERS Final Administrative Determination Procedure on page 81.

Payment to Providers — Assignment of Benefits

The benefits of this Plan will be paid directly to Preferred Providers and medical transportation providers. Also, Non-Preferred Providers and other providers of service will be paid directly when you assign benefits in writing.

MEDICAL NECESSITY

Except for preventive care services, benefits are provided only for covered services, procedures, equipment and supplies which are medically necessary and delivered with optimum efficiency.

Medical necessity means services and supplies as determined through the Plan's review process to be necessary, appropriate, and established as safe and effective for treatment of the patient's illness or injury, consistent with acceptable treatment patterns found in established managed care environments and consistent with Blue Cross Medical Policy. **The fact that a provider may prescribe, order, recommend or approve a service, supply, or hospitalization does not in itself make it medically necessary, even though it is not specifically listed as an exclusion or limitation.** A service may be determined not to be medically necessary even though it may be considered beneficial to the patient. Established medical criteria for medical necessity must be met before that service, procedure, equipment or supply is determined to be medically necessary.

Services, procedures, equipment and supplies that are medically necessary must:

1. be appropriate and necessary for the diagnosis or treatment of the medical condition;
2. be consistent with the symptoms or diagnosis in treatment of the illness, injury, or condition;
3. be within standards of good medical practice within the organized medical community;
4. not be furnished primarily for the convenience of the patient, the treating physician, or other provider;
5. be consistent with Blue Cross Medical Policy (see definition on page 87);
6. not be for custodial care (see definition on page 88); and
7. be the most appropriate procedure, supply, equipment or service which can be safely provided. The most appropriate procedure, supply, equipment or service must satisfy the following requirements;
    a. There must be valid scientific evidence demonstrating that the expected health benefits from the procedure, supply, equipment or service are clinically significant and produce a greater likelihood of benefit, without a disproportionately greater risk of harm or complications, for you with the particular medical condition being treated than other possible alternatives; and
    b. Generally accepted forms of treatment that are less invasive have been tried and found to be ineffective or are otherwise unsuitable; and
    c. For hospital stays, acute care as an inpatient is necessary due to the kind of services you are receiving or the severity of your condition, and safe and adequate care cannot be received in an outpatient setting or in a less intensified medical setting.

Inpatient hospital services or supplies which are generally not considered medically necessary include, but are not limited to, hospitalization:

1. for diagnostic studies that could have been provided on an outpatient basis;
2. for medical observation or evaluation;
3. to remove the patient from his or her customary work and/or home for rest, relaxation, personal comfort, or environmental change;
4. for preoperative work-up the night before surgery;
5. for inpatient rehabilitation or rehabilitative care that can be provided on an outpatient basis.

Outpatient services may not always be considered medically necessary.

Claims Review

PERS Choice reserves the right to review all claims and medical records to determine whether services, procedures, equipment and supplies are medically necessary and efficiently delivered, and whether any exclusions or limitations apply.

DEDUCTIBLES

Calendar Year Deductible

Charges incurred while covered by any other CalPERS-sponsored health benefits plan for services received prior to the effective date of enrollment in PERS Choice are not transferable to PERS Choice, and deductibles under any other such plan will not apply toward the calendar year deductible for PERS Choice.

After the calendar year deductible and any other applicable deductible is satisfied, payment will be provided for covered services. Some services, however, are not subject to the deductible (see the list below).The deductible must be made up of charges covered by the Plan in the calendar year in which the services are provided. The calendar year deductible applies separately to each Plan Member and is accumulated in the order in which claims processing has been completed.

The calendar year deductible is five hundred dollars **($500)** for each Plan Member, not to exceed one thousand dollars **($1,000)** per family.

Charges will be applied to the deductible beginning on January 1, 2006, and will extend through December 31, 2006. Some services, however, are not subject to the deductible.

Services NOT subject to the calendar year deductible:

--Physician office/outpatient hospital visits and consultations received from Preferred Providers.

--Diabetes self-management education program services received from Preferred Providers.

--Immunizations received from Preferred Providers.

--Preventive care services received from Preferred Providers.

--Alternative birthing centers.

--Natural childbirth classes.

--Smoking cessation programs.

--Consultation or second opinion provided by Telemedicine Network Specialty Centers.

NOTE: Other services received in conjunction with any of the services listed above ARE subject to the deductible. Also, services listed above received from non-Preferred Providers ARE subject to the deductible.

Emergency Room Deductible

Each time you visit a hospital's emergency room for emergency care services you will be responsible for paying the emergency room deductible **($50)**. However, this deductible will not apply if you are admitted to a hospital for outpatient medical observation or on an inpatient basis immediately following emergency room treatment. This deductible does not apply to the calendar year deductible. It will be subtracted from covered charges each time you visit the emergency room, regardless of whether you have otherwise met your calendar year deductible.

MAXIMUM CALENDAR YEAR COPAYMENT RESPONSIBILITY

When covered services are received from a Preferred Provider, or if you live and receive covered services outside a Preferred Provider area, your maximum copayment responsibility per calendar year is three thousand dollars ($3,000) per Plan Member, not to exceed six thousand dollars ($6,000) per family. Once you incur expenses equal to those amounts, you will no longer be required to pay a copayment for the remainder of that year, but you remain responsible for costs in excess of the Allowable Amount and for services or supplies which are not covered under this Plan.

Covered services received from non-Preferred Providers, whether referred by a Preferred Provider or not, do not apply toward the maximum copayment if you live within a Preferred Provider area.* In addition, you will be required to continue to pay your copayment for such treatment even after you have reached that amount. Remember, your copayment will be higher if you use non-Preferred Providers, and you will be responsible for any charges that exceed the Allowable Amount.

*Exceptions:

-- Covered services received from non-Preferred Providers will apply toward the maximum copayment amount if (1) you are unable to access a Preferred Provider who practices the appropriate specialty, provides the required services or has the necessary facilities within a 50-mile radius of your residence and you obtain an Authorized Referral, or (2) your claim is reprocessed to provide benefits at the higher Preferred Provider reimbursement level. Once the maximum copayment responsibility is met, you will no longer be required to pay a copayment for such non-Preferred Provider services, but you remain responsible for costs in excess of the Allowable Amount and for services or supplies which are not covered under this Plan.

-- Emergency care services provided by non-Preferred Providers will apply toward the maximum copayment amount. Once the maximum copayment responsibility is met, you will no longer be required to pay a copayment for such non-Preferred Provider services, but you remain responsible for costs in excess of the Allowable Amount and for services or supplies which are not covered under this Plan.

The following are not included in calculating your maximum calendar year copayment. You will continue to be responsible for these charges even after you have reached the maximum calendar year copayment amount:

--Copayments to Preferred Providers for physician office/outpatient hospital visits, consultations, and diabetes self-management education program services.

--Copayments to Telemedicine Network Specialty Centers for consultations or second opinions.

--Copayments to non-Preferred Providers if you live within a Preferred Provider area.

--Copayments for treatment of mental health and substance abuse (other than severe mental illness and serious emotional disturbances of a child as defined on page 93).

--Copayments for natural childbirth classes.

--All charges not paid by the Plan for outpatient prescription drugs.

--Sanctions for non-compliance with utilization review.

--Amounts applied toward the calendar year deductible or the emergency room deductible.

--Charges for services which are not covered.

--Charges in excess of stated benefit maximums.

--Charges by non-Preferred Providers in excess of the Allowable Amount.

LIFETIME AGGREGATE MAXIMUM PAYMENT AMOUNT

The lifetime aggregate maximum payment amount for all services under this Plan is two million dollars ($2,000,000) per person. Benefits in excess of this amount will not be provided to you or to your providers.

This lifetime aggregate maximum payment amount is determined by totaling all medical benefits provided to you or to your provider on your behalf, whether you are a subscriber or a dependent, while covered under this Plan.

PAYMENT AND MEMBER COPAYMENT RESPONSIBILITY

(Not applicable to the Prescription Drug Program)

Preferred Providers within their geographic service area have agreed to accept Blue Cross of California's payment or the local Blue Cross and/or Blue Shield Plan's payment, whichever applies, plus applicable Member deductibles and copayments, as payment in full for covered services. Except for applicable deductibles, copayments or amounts in excess of specified Plan maximums, Plan Members are not responsible to Preferred Providers for any additional payments for covered services.

Non-Preferred Providers are providers which have not agreed to participate in Blue Cross of California's Prudent Buyer Plan network (within California) or in a Blue Cross and/or Blue Shield plan network (outside of California). They have not agreed to accept Blue Cross of California's payment or the local Blue Cross and/or Blue Shield Plan's payment (plus applicable Member deductibles and copayments) as payment in full for covered services. The Allowable Amount for services received by Non-Preferred Providers is usually lower than what they customarily charge. The difference between the Allowable Amount and what the Non-Preferred Provider charges is the Member's responsibility.

The following example illustrates the Member's reduced out-of-pocket amount when receiving services from a Preferred Provider:

Payment Example

(Actual Charges May Vary)

Procedure: Removal of a ruptured spinal disc

Preferred Provider

Billed Charges (physician surgical fees and hospital charges)	$12,000
Plan(s) Allowable Amount	$ 6,000
Plan Pays 80% of $6,000	$ 4,800
You Pay 20% of $6,000	**$ 1,200**
Preferred Provider Cannot Balance Bill	$ 6,000

Non-Preferred Provider

Billed Charges (physician surgical fees and hospital charges)	$12,000
Plan(s) Allowable Amount	$ 6,000
Plan Pays 60% of $6,000	$ 3,600
You Pay 40% of $6,000	**$ 2,400**
Plus Balance Billed by Provider	**$ 6,000**
Total You Pay	**$ 8,400**

PAYMENT AND MEMBER COPAYMENT RESPONSIBILITY

After the calendar year and any other applicable deductible has been satisfied, reimbursement for covered services will be provided as described in this section.

Physician Services

1. Members Who Reside Within Area

a. When Accessing Preferred Providers:

Physician office visits and physician outpatient hospital visits by a Preferred Provider are paid at Blue Cross' Allowable Amount or the local Blue Cross and/or Blue Shield Plan's Allowable Amount less the Member's twenty dollar ($20) copayment. The twenty dollar ($20) copayment will also apply to physician or health professional visits for diabetes self-management education. The twenty dollar ($20) copayment does not apply to physician visits related to mental health (for other than severe mental illness and serious emotional disturbances of a child) or substance abuse. Note: This copayment applies to the charge for the physician visit only.

Other covered services rendered by a Preferred Provider are paid at eighty percent (80%) of the Allowable Amount, except for services with a twenty dollar ($20) copayment. This includes any separate facility charge by an affiliated hospital for a covered office visit to a physician. Plan Members are responsible for the remaining twenty percent (20%) and any charges for non-covered services if rendered by a Preferred Provider. Preventive care services received from a Preferred Provider are paid at one hundred percent (100%) of the Allowable Amount.

NOTE: Members who reside within a Preferred Provider service area and receive services from a non-Preferred Provider will be reimbursed at the non-Preferred Provider level as stated in (b).

b. When Accessing Non-Preferred Providers:

Covered services rendered by a non-Preferred Provider are paid at sixty percent (60%) of the Allowable Amount. Plan Members are responsible for the remaining forty percent (40%) and all charges in excess of the Allowable Amount, plus all charges for non-covered services.

NOTE: Regardless of the reason (medical or otherwise), referrals by Preferred Providers to non-Preferred Providers will be reimbursed at the non-Preferred Provider level.

c. When Accessing a Non-Preferred Provider Because a Preferred Provider is not Available:

Covered services rendered by a non-Preferred Provider (other than for emergency care services) are automatically paid at sixty percent (60%) of the Allowable Amount. However, if you receive covered services from a non-Preferred Provider because a Preferred Provider is not available within a 50-mile radius of your residence, your claim will automatically be paid at eighty percent (80%) of the Allowable Amount if an Authorized Referral is obtained prior to services being rendered. You are responsible for the remaining percentage and any charges in excess of the Allowable Amount, plus all charges for non-covered services.

If an Authorized Referral is NOT obtained prior to services being rendered, your claim will automatically be paid at sixty percent (60%) of the Allowable Amount. Upon receipt of your Explanation of Benefits (EOB), contact your Customer Service Department to request that your claim be reprocessed at the eighty percent (80%) level. You are responsible for the remaining twenty percent (20%) and any charges in excess of the Allowable Amount, plus all charges for non-covered services.

To ensure that your claims will be paid at the eighty percent (80%) level, you should obtain an Authorized Referral BEFORE services are rendered. To obtain an Authorized Referral, you or your physician must call the Customer Service Department at the toll-free telephone number printed on your ID card at least three (3) business days prior to scheduling an admission to, or receiving the services of, a non-Preferred Provider. If the service you will receive from a non-Preferred Provider requires precertification, you will need to obtain precertification in addition to the Authorized Referral.

These provisions apply to Members residing inside or outside California, unless such Member's residence is considered to be "out-of-area".

2. Members Who Reside Out-of-Area
(Refer to the list of qualifying ZIP Codes and Outside California information on page 10)

Physician office visits and physician outpatient hospital visits are paid at the Allowable Amount less the Member's twenty dollar ($20) copayment. Members are responsible for the twenty dollar ($20) copayment, any charges in excess of the Allowable Amount, and all non-covered charges. The twenty dollar ($20) copayment will also apply to physician or health professional visits for diabetes self-management education. The twenty dollar ($20) copayment does not apply to physician visits related to mental health (for other than severe mental illness and serious emotional disturbances of a child) or substance abuse. Note: This copayment applies to the charge for the physician visit only.

Other covered services are paid at eighty percent (80%) of the Allowable Amount. This includes any separate facility charge by an affiliated hospital for a covered office visit to a physician. Members are responsible for the remaining twenty percent (20%), any charges in excess of the Allowable Amount, and all non-covered charges.

Preventive care services are paid at one hundred percent (100%) of the Allowable Amount. Members are responsible for any charges in excess of the Allowable Amount and all non-covered charges.

3. Emergency Care

Physician services for emergency care are paid at eighty percent (80%) of the Allowable Amount. Members are responsible for the remaining twenty percent (20%) and all charges in excess of the Allowable Amount.

Hospital Services

1. Members Who Reside Within Area

a. When Accessing Preferred Hospitals:

Covered services rendered by a Preferred Hospital or Ambulatory Surgery Center are paid at eighty percent (80%) of the Negotiated Amount for covered services. Plan Members are responsible for the remaining twenty percent (20%) of the lesser of Billed Charges or the Negotiated Amount for covered services and all charges for non-covered services.

NOTE: Members who reside within a Preferred Provider service area and receive services from a non-Preferred Provider will be reimbursed at the non-Preferred Provider level as stated in (b).

b. When Accessing Non-Preferred Hospitals:

Covered services rendered by a non-Preferred Hospital are paid at sixty percent (60%) of Reasonable Charges. Plan Members are responsible for the remaining forty percent (40%) and all charges for non-covered services.

c. Services Received from Non-Preferred Providers while receiving care at a Preferred Hospital:

Covered services rendered by non-Preferred Providers who are part of the Preferred Hospital or Ambulatory Surgery Center staff are paid at eighty percent (80%) of the Allowable Amount.* Plan Members are responsible for the remaining twenty percent (20%) and all charges in excess of the Allowable Amount, plus all charges for non-covered services. For example, you may be admitted to a Preferred Hospital and certain physicians on that hospital's staff are non-Preferred Providers. These providers include anesthesiologists, radiologists and pathologists. Other providers, such as admitting physician, surgeon and assistant surgeon, whose services are not included in and are not considered part of the Hospital or Ambulatory Surgery Center's facility charges, are automatically paid at sixty percent (60%) of the Allowable Amount. Plan Members are responsible for the remaining forty percent (40%) and all charges in excess of the Allowable Amount, plus all charges for non-covered services.

*Although benefits are provided at the higher reimbursement level, it is still in your best financial interest to verify that all health care providers treating you are Preferred Providers. Whenever possible, you should request that all of your care be provided by Preferred Providers upon entering a Preferred Hospital or Ambulatory Surgery Center.

2. Members Who Reside Out-of-Area
(Refer to the list of qualifying ZIP Codes and Outside California information on page 10)

Covered services rendered to Plan Members who reside out-of-area are paid at eighty percent (80%) of Reasonable Charges. Members are responsible for the remaining twenty percent (20%) and all charges for non-covered services.

3. Emergency Care

Covered services rendered by a Preferred Hospital incident to emergency care are paid at eighty percent (80%) of Billed Charges or eighty percent (80%) of the Negotiated Amount, whichever is less. Covered services rendered by a non-Preferred Hospital incident to emergency care are paid at eighty percent (80%) of Reasonable Charges. For both Preferred Hospitals and non-Preferred Hospitals, Plan Members are responsible for the remaining twenty percent (20%) and all charges for non-covered services.

Emergency room facility charges for non-emergency care services are the Plan Member's responsibility. If your emergency room charges are rejected under this Plan because it is determined that they were for non-emergency care and you feel that your condition required emergency care services (as defined on page 88) you should contact Blue Cross and request a reconsideration. For more information, please see the Medical Claims Appeal Procedure section beginning on page 74.

NOTE: If a Member who is in a non-Preferred Hospital elects not to transfer or travel to a Preferred Hospital once his or her medical condition permits, reimbursement will be reduced to the sixty percent (60%) level and paid as stated in (1b). Hospital payments will be reduced if utilization review requirements are not met.

Skilled Nursing Facility

For Preferred Providers, inpatient services will be paid at:

- eighty percent (80%) of the Allowable Amount for the first ten (10) days each calendar year. Members are responsible for the remaining twenty percent (20%) of the Allowable Amount for covered services and ALL charges for non-covered services.

- seventy percent (70%) of the Allowable Amount for the next ninety (90) days in the same calendar year. Members are responsible for the remaining thirty percent (30%) of the Allowable Amount for covered services and ALL charges for non-covered services.

For Non-Preferred Providers, inpatient services will be paid at:

- sixty percent (60%) of the Allowable Amount for each day during a covered stay. Members are responsible for the remaining forty percent (40%) of the Allowable Amount for covered services and ALL charges for non-covered services.

These benefits require a precertified treatment plan.

Home Health Care Agencies, Home Infusion Therapy Providers, and Durable Medical Equipment Providers

Preferred or out-of-area home health care agencies, home infusion therapy providers, and durable medical equipment providers will be reimbursed at eighty percent (80%) of Blue Cross of California's Allowable Amount or eighty percent (80%) of the local Blue Cross and/or Blue Shield Plan's Allowable Amount. Members are responsible for the remaining twenty percent (20%).

If you reside in-area, non-Preferred home health care agencies, home infusion therapy providers, and durable medical equipment providers will be reimbursed at sixty percent (60%) of Blue Cross of California's Allowable Amount or sixty percent (60%) of the local Blue Cross and/or Blue Shield Plan's Allowable Amount. Members are responsible for the remaining balance.

Services provided by home health care agencies and home infusion therapy providers require a precertified treatment plan.

Cancer Clinical Trials

For Preferred Providers
Covered services related to cancer clinical trials for Members with cancer who have been accepted into phase I, II, III, or IV cancer clinical trials upon their physician's referral will be paid at eighty percent (80%) of the Allowable Amount. Plan Members are responsible for the remaining twenty percent (20%) and any charges for non-covered services.

For Non-Preferred Providers
Covered services related to cancer clinical trials for Members with cancer who have been accepted into phase I, II, III, or IV cancer clinical trials upon their physician's referral will be reimbursed at sixty percent (60%) of the lesser of the Billed Charges or the Allowable Amount that ordinarily applies when services are provided by Preferred Providers. Members are responsible for the remaining forty percent (40%) and all charges in excess of the Allowable Amount, plus any charges for non-covered services.

Services by Other Providers

Hospice care agencies and services by other providers (unless specifically provided otherwise) will be reimbursed at eighty percent (80%) of the lesser of Billed Charges or the amount that Blue Cross of California or the local Blue Cross and/or Blue Shield Plan determines was being charged by the majority of providers of like-covered services at the time and in the area where services were provided. Members are responsible for the remaining twenty percent (20%) and for any charges in excess of these amounts.

NOTE:

1. Payment for covered services is limited to the lesser of the benefit maximum or the applicable Blue Cross of California or local Blue Cross and/or Blue Shield Plan payment.
2. Payments will be reduced if utilization review requirements are not met.

FINANCIAL SANCTIONS

You may incur unnecessary medical expenses if the Review Center is not notified and involved in the precertification and management of your care. In order to promote compliance with utilization review notification requirements, financial sanctions (increased copayment responsibility) will be applied if you fail to notify the Review Center as required. In addition, if the Review Center determines that services are not medically necessary or are being provided at a level of care inconsistent with acceptable treatment patterns found in established managed care environments, financial sanctions will be applied and/or denial of all or some services may occur.

If you have questions about the application of a sanction based on the Review Center's decisions regarding compliance with late notification requirements, call the Review Center at 1-800-451-6780. If you do not agree with any portion of the Review Center's final determination, you or your physician may appeal this decision by following the Utilization Review Appeal Procedure described on pages 76 through 78.

For questions about how a sanction was applied to a specific claim, call Blue Cross at 1-877-737-7776.

Non-Compliance With Notification Requirements

A ten percent (10%) copayment (in addition to any other required copayment) will be applied to **all covered hospital charges** associated with the hospital stay in question if inpatient hospital services are received and (a) notification is late, or (b) precertification was not obtained even though services were approved after retrospective review.

A ten percent (10%) copayment (in addition to any other required copayment) will be applied to **outpatient facility charges and professional charges** if services listed under Utilization Review — Services Requiring Precertification on page 45 are received in an outpatient facility and (a) notification is late, or (b) services were approved after retrospective review.

This additional copayment amount will not accrue toward satisfying any other out-of-pocket deductible or maximum calendar year copayment responsibility required under the payment design of the Plan.

Non-Compliance With Medical Necessity Recommendations for Temporomandibular Disorder Benefit or Maxillomandibular Musculoskeletal Disorders Benefit

A penalty of five hundred dollars ($500) will be assessed on inpatient charges or two hundred and fifty dollars ($250) on outpatient charges for (a) failure to obtain the required precertification from the Review Center, or (b) failure to comply with the Review Center's recommendation. This additional copayment amount will not accrue toward satisfying any other out-of-pocket deductible or maximum calendar year copayment responsibility required under the payment design of the Plan.

Non-Certification of Medical Necessity

If the Review Center determines that services are not medically necessary or are being provided at a level of care inconsistent with acceptable treatment patterns found in established managed care environments, the Review Center will advise the treating physician and the patient, or a person designated by the patient, that coverage cannot be guaranteed. The actual amount of reimbursement will be determined retrospectively and will reflect appropriate sanctions, reductions, or denial of payment. For example, if you are hospitalized and the Review Center determines during the stay that treatment can be provided in a less acute setting, charges associated with the treatment would be reimbursed, but room and board charges for the number of days at the inappropriate level of care would not be reimbursed. Therefore, if the Review Center declines to certify services as medically necessary but you nevertheless choose to receive those services, you are responsible for all charges not reimbursed by the Plan.

MEDICAL AND HOSPITAL BENEFITS

Description of Benefits

Except for preventive care services, benefits are provided (subject to satisfaction of applicable deductibles) for medically necessary services and supplies that are delivered with optimum efficiency. Services and supplies that are not covered under the Plan are listed under Benefit Limitations, Exceptions and Exclusions beginning on page 57.

Services or a treatment plan precertified during a contract period must be commenced during that same contract period to qualify for continuing treatment in the event that the benefit becomes eliminated in a subsequent contract period. Otherwise, only benefits in effect during a contract period are available or covered.

Acupuncture

See Chiropractic Benefit.

Allergy Testing and Treatment

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Supplies, except for prescription drugs, related to allergy testing and treatment are covered. Charges incurred for office visits in conjunction with allergy treatment may not be payable. The calendar year maximum for antigens is four hundred dollars ($400).

Alternative Birthing Center

80% in or out-of-area

Not subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility. An alternative birthing center as defined on page 86 may be used instead of hospitalization.

Ambulance

80% in or out-of-area

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility.

Emergency transportation by professional ambulance services (ground or air) required for emergency care (as defined in this EOC). Medically necessary professional ambulance services (ground or air) required to transfer the patient from one facility to another, including services provided as a result of a “911” emergency response system* request for assistance.

* If you have an emergency medical condition that requires ambulance transport services, please call the “911” emergency response system if you are in an area where the system is established and operating.

Ambulatory Surgery Centers

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Certain non-emergency procedures, services and surgeries require precertification by the Review Center. Precertification is required no later than three (3) business days prior to commencement of certain surgeries listed under Services Requiring Precertification on page 45. Precertification is required no later than thirty (30) business days prior to commencement of certain other surgeries also listed under Services Requiring Precertification on page 45. Failure to obtain the required precertification within the specified time frame may result in increased copayment responsibility and/or denial of benefits.

Bariatric Surgery

Hospital Services 80% at Blue Cross Centers of Expertise

Professional 80% for physicians on surgical team at designated Blue Cross Centers of Expertise

Covered charges are subject to the calendar year deductible, and Member copayments will apply towards the maximum calendar year copayment responsibility.

Precertification for all bariatric surgical procedures must be obtained from the Review Center as soon as possible, but no later than three (3) business days prior to commencement of services. Failure to obtain the required precertification within the specified time frame may result in denial of benefits and/or increased copayment responsibility.

Hospital and professional services and supplies provided in connection with bariatric surgery for treatment of morbid obesity are a benefit only when the procedure is in accordance with Blue Cross Medical Policy, and prior authorization has been obtained from the Review Center, and services are performed at a designated Blue Cross Centers of Expertise (COE) facility. Services provided for or in connection with a bariatric surgical procedure performed at a facility other than a designated COE will **not** be covered.

COE agree to accept the Negotiated Amount as payment for covered services. Plan Members are responsible for the remaining twenty percent (20%) of the lesser of Billed Charges or the Negotiated Amount for covered services and all charges for non-covered services. The Review Center can assist in facilitating your access to a Blue Cross Centers of Expertise. Please notify the Review Center at 1-800-451-6780 as soon as your provider recommends a bariatric surgical procedure for your medical care.

Centers of Expertise are not available outside California; therefore, Plan Members who do not receive services in California will be referred by the Review Center to other network facilities.

Travel Benefits for Bariatric Surgery

If the Member's place of residence is outside a 50 mile radius of the nearest designated Blue Cross Centers of Expertise (COE), certain travel expenses incurred by the Member may be covered in connection with an authorized bariatric surgical procedure performed at a designated COE. No benefits are payable for travel expenses to other than a designated COE.

The calendar year deductible will not apply, and no co-payments will be required for eligible travel expenses. Reimbursement is limited to the specified amounts below.

Covered travel expenses include:

--Transportation to and from the designated COE for the Member, up to three (3) trips (one pre-surgical visit, the initial surgery and one follow-up visit) per authorized bariatric surgical procedure, not to exceed $130 per trip.

--Transportation to and from the designated COE for one companion, up to two (2) trips (the initial surgery and one follow-up visit), not to exceed $130 per trip.

--One room double occupancy hotel accommodations for the Member and one companion for the pre-surgical and follow-up visits, up to two (2) days per trip, not to exceed $100 per day.

--One room double occupancy hotel accommodations for the companion during the Member's initial surgery stay, up to four (4) days, not to exceed $100 per day.

--Other reasonable and necessary expenses, such as meals, are limited to a combined total of $25 per day, up to four (4) days per trip. Tobacco, alcohol and drug expenses are not covered.

To find out if you are eligible for reimbursement for travel expense or to request a claim form, call Blue Cross Customer Service at 1-877-737-7776. A legible copy of dated receipts for all expenses must be submitted along with a claim form to Blue Cross to obtain reimbursement.

Cancer Clinical Trials

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Benefits are provided for services and supplies for routine patient care costs, as defined below, in connection with phase I, phase II, phase III and phase IV cancer clinical trials, if all the following conditions are met:

1. The treatment provided in the cancer clinical trial must either:
    a. Involve a drug that is exempt under federal regulations from a new drug application, or
    b. Be approved by (i) one of the National Institutes of Health, (ii) the federal Food and Drug Administration in the form of an investigational new drug application, (iii) the United States Department of Defense, or (iv) the United States Veteran's Administration.
2. The participant must have been diagnosed with cancer.
3. Participation in the cancer clinical trial must be recommended by your physician based upon his or her medical determination that participation would have a meaningful potential to benefit you.
4. For the purpose of this provision, a cancer clinical trial must have a therapeutic intent. Clinical trials solely for the purpose of testing toxicity are not covered.

Routine patient care costs means the costs associated with the provision of services, including drugs, items, devices and services which would otherwise be covered under the Plan, including health care services which are:

--Typically provided absent a clinical trial.

--Required solely for the provision of the investigational drug, item, device or service.

--Clinically appropriate monitoring of the investigational item or service.

--Prevention of complications arising from the provision of the investigational drug, item, device, or service.

--Reasonable and necessary care arising from the provision of the investigational drug, item, device, or service, including the diagnosis or treatment of the complications.

Routine patient care costs do not include any of the items listed below. In addition to the costs of non-covered services, the participant will be responsible for the costs associated with any of the following:

--Drugs or devices not approved by the federal Food and Drug Administration that are associated with the clinical trial.

--Services other than health care services, such as travel, housing, companion expenses and other non-clinical expenses that you may require as a result of the treatment provided for the purposes of the clinical trial.

--Any item or service provided solely to satisfy data collection and analysis needs for information that is not used in your clinical management.

--Health care services that, except for the fact they are provided in a clinical trial, are otherwise specifically excluded from the Plan.

--Health care services customarily provided by the research sponsors free of charge to persons enrolled in the trial.

Chiropractic and Acupuncture

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Any combination of services rendered by a licensed chiropractor or any provider qualified to perform acupuncture or acupressure for up to fifteen (15) visits per calendar year.

Christian Science Treatment

80% in or out-of-area

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility.

Treatment or services of a Christian Science practitioner, Christian Science nurse, or Christian Science hospital. No payment, however, will be made for confinement in a Christian Science hospital for the purpose of rest or spiritual refreshment. This benefit includes treatment in absentia (defined on page 94).

Coronary Artery Bypass Graft

Hospital Services	80% at Blue Cross Centers of Expertise 80% PPO, other than Blue Cross Centers of Expertise, and out-of-area 60% non-PPO
Evaluations and Diagnostic Tests	80% at Blue Cross Centers of Expertise 80% PPO, other than Blue Cross Centers of Expertise, and out-of-area 60% non-PPO

Covered charges are subject to the calendar year deductible, and Member copayments will apply towards the maximum calendar year copayment responsibility if services are received from Blue Cross Centers of Expertise or Blue Cross Preferred Providers. However, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Precertification for non-emergency coronary artery bypass graft surgical procedures must be obtained from the Review Center as soon as possible, but no later than three (3) business days prior to commencement of services. Failure to obtain the required precertification within the specified time frame may result in denial of benefits and/or increased copayment responsibility.

Hospital and professional services provided in connection with coronary artery bypass graft are a benefit only to the extent that the services are medically necessary and medically appropriate for the patient.

As with Preferred Providers, Blue Cross Centers of Expertise agree to accept the Negotiated Amount as payment for covered services. The Review Center can assist in facilitating your access to a Blue Cross Centers of Expertise. Please notify the Review Center at 1-800-451-6780 as soon as your provider recommends a coronary artery bypass graft procedure for your medical care.

Centers of Expertise are not available outside California; therefore, Plan Members who do not receive services in California will be referred by the Review Center to other network facilities.

Travel Benefits for Coronary Artery Bypass Graft

Certain travel expenses incurred by the Member may be covered in connection with an authorized coronary artery bypass graft procedure performed at a Blue Cross Centers of Expertise (COE) when more than 85 miles from the Member's place of residence. No benefits are payable for travel expenses to other than a COE.

The calendar year deductible will not apply, and no co-payments will be required for eligible travel expenses. Reimbursement is limited to the specified amounts below.

Covered travel expenses include the Member's and his or her companion's transportation to and from the COE, up to three (3) trips per authorized procedure, not to exceed $250 per trip for each person. Hotel accommodations are limited to $100 per day for one room for up to fifteen (15) days per authorized procedure. Meal expenses are limited to $25 per day for each person up to fifteen days per authorized procedure.

To find out if you are eligible for reimbursement for travel expense or to request a claim form, call Blue Cross Customer Service at 1-877-737-7776. A legible copy of dated receipts for all expenses must be submitted along with a claim form to Blue Cross to obtain reimbursement.

Diabetes Self-Management Education Program

$20 Copay, PPO and out-of-area
60% non-PPO

The twenty dollar ($20) copayment to a Preferred Provider is not subject to the calendar year deductible and does not apply toward the maximum calendar year copayment responsibility. In addition, you will be required to continue to pay the $20 copayment for such visits even after you have reached the maximum calendar year copayment responsibility amount.

Visits to a non-Preferred Provider are subject to the calendar year deductible and the maximum calendar year copayment responsibility is unlimited for visits to non-Preferred Providers.

Benefits are provided for patients enrolled in a diabetes instruction program for:

--The charges of a day care center for diabetes self-management education;

--The services of a physician or other health professional who is knowledgeable about the treatment of diabetes, such as a registered nurse, registered pharmacist and registered dietitian, provided that charges for such services do not duplicate those charged by a day care center.

A covered "diabetic instruction program" (1) is designed to educate patients and their family members about the disease process and the daily management of diabetic therapy; (2) includes self-management training, education, and medical nutrition therapy to enable the Member to properly use the equipment, supplies, and medications necessary to manage the disease; and (3) is supervised by a physician.

Diagnostic X-Ray and Laboratory

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Outpatient services from all providers, including diagnostic X-rays, diagnostic examinations, clinical laboratory services, and Pap tests or mammograms for treatment of illness.

Durable Medical Equipment

(Home Medical Equipment) and Prosthetic Appliances

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Rental or purchase, including repair and maintenance, of standard outpatient prosthetic appliances (defined on page 92) and standard durable medical equipment (defined on page 88). Examples of prosthetic appliances include:

--Artificial limbs and eyes and their fitting.

--Medically necessary cochlear implants and related follow-up services.

--One medically necessary scalp hair prosthesis each calendar year, worn for hair loss caused by alopecia areata, alopecia totalis, or alopecia medicamentosa, resulting from the treatment of any form of cancer or leukemia. Benefits are limited to one prosthetic each year up to a maximum payment of three hundred and fifty dollars ($350) per Member.

--Custom molded and cast shoe inserts, limited to one pair per calendar year, and orthopedic braces, including shoes only when permanently attached to such braces.

Examples of durable medical equipment include crutches, standard wheelchairs and hospital beds. Lancets and lancing devices are covered for the purpose of self-administration of blood tests to monitor a covered condition (e.g., checking blood glucose level for self-management of diabetes).

All durable medical equipment and prosthetic appliances combined, except cochlear implants, are subject to **a maximum payment of three thousand dollars ($3,000) per Member each calendar year**.

The Plan covers rental charges up to the purchase price, or purchase, whichever is more cost-effective. Blue Cross will determine whether the Member is to purchase or continue to rent the equipment. If purchase is required, the Member will be notified to initiate the purchase of durable medical equipment by the Plan. After notification, the Plan will discontinue rental authorization.

Prosthetic and durable medical equipment replacement and repairs resulting from loss, misuse, abuse and/or accidental damage are not a covered benefit of the Plan.

Refer to page 58 for Benefit Limitations, Exceptions and Exclusions related to this benefit.

Emergency Care Services

80% PPO, out-of-area or non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility.

A fifty dollar ($50) emergency room deductible applies for covered emergency room charges unless admitted to the hospital for outpatient medical observation or on an inpatient basis. If admitted to the hospital for outpatient medical observation or on an inpatient basis, the emergency room deductible is waived.

For inpatient hospital services, the Review Center must be notified within twenty-four (24) hours or by the end of the first business day following admission, whichever is later. Failure to obtain the required precertification within the specified time frame may result in increased copayment responsibility and/or denial of benefits.

Services in a physician's office, outpatient facility or an emergency room of a hospital are covered when required for the alleviation of the sudden onset of severe pain or the immediate diagnosis and treatment of an unforeseen illness or injury which could lead to further significant disability or death, or which would so appear to a prudent layperson. This benefit includes emergency room physician visits.

Benefits are also provided for emergency maternity admissions if due to unexpected "premature" delivery. A premature delivery is one that occurs prior to the eighth (8th) month of pregnancy.

Only physician charges shall be payable for non-emergency services received in an emergency room of a hospital. Emergency room facility charges for non-emergency care services are not covered. The reimbursement level for physician or other charges will be based on the Preferred or non-Preferred status of the provider and benefits are payable as described under Physician Services on page 37.

If a patient is in a non-Preferred Hospital, emergency benefits shall be payable until the patient's medical condition permits transfer or travel to a Preferred Hospital. If the patient does not wish to transfer to a Preferred Hospital, reimbursement shall be payable at the non-Preferred level for all subsequent charges.

Family Planning

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Services for voluntary sterilization, including tubal ligation and vasectomy, and medically necessary abortions are covered. Office visits for contraceptive management, including services of a physician in connection with the prescribing and fitting of contraceptive diaphragms or injectable drugs for birth control administered during the office visit and supplied by the physician, are covered. Intra-uterine devices (IUDs) and time-released subdermal implants for birth control that are administered in a physician's office are covered. Oral contraceptives and diaphragms are covered under the Outpatient Prescription Drug Program. Infertility services, including drugs for treating infertility, are not covered.

Refer to pages 59 and 61 for Benefit Limitations, Exceptions and Exclusions of this benefit.

Hearing Aid Services

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Hearing aid services include an audiological evaluation to measure the extent of hearing loss and a hearing aid evaluation to determine the most appropriate make and model of hearing aid. Surgically implanted hearing devices (i.e., cochlear implants) are not covered under this Hearing Aid Services benefit. But, cochlear implants may be covered under the plan benefits for prosthetic appliances described under the Durable Medical Equipment benefit on page 30.

The Hearing Aid

The hearing aid itself (monaural or binaural), including ear mold(s), the hearing aid instrument, initial battery cords, and other ancillary equipment, is subject to **a maximum payment of one thousand dollars ($1,000) per Member once every thirty-six (36) months.** The Plan provides payment of up to one thousand dollars ($1,000) regardless of the number of hearing aids purchased. This benefit also includes visits for fitting, counseling, adjustment, and repairs at no charge for a one-year period following the provision of a covered hearing aid. Refer to page 59 for Benefit Limitations, Exceptions and Exclusions of this benefit.

Home Health Care

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Medically necessary skilled care for continued treatment of an injury or illness furnished by a Home Health Agency is covered if the Member is homebound, for up to **six thousand dollars ($6,000) per calendar year**.

A treatment plan must be submitted in writing to the Review Center for precertification within three (3) business days prior to services being rendered. Failure to obtain the required precertification within the specified time frame may result in increased copayment responsibility and/or denial of benefits.

A physician must order the home health care and renew the order at least once every 30 days. Providers in California must be California licensed Home Health Agencies. Other out-of-state providers must be recognized as home health care providers under Medicare.

A visit is defined as four (4) hours or less of covered services provided by one of the following providers:

a. A registered nurse or licensed vocational nurse under the supervision of a registered nurse or a physician;
b. Respiratory therapy;
c. A medical social service worker; or
d. A certified home health aide employed by (or under arrangement with) a Home Health Agency. A certified home health aide is covered only if you are also receiving the services of a registered nurse or licensed therapist employed by the same organization and the registered nurse is supervising the services. Custodial care is not covered.

Note: Speech, physical and occupational therapies provided in the home are covered under the Outpatient or Out-of-Hospital Therapies benefit described on pages 35 and 36.

Home Infusion Therapy

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Services and medications must be precertified by the Review Center as soon as possible, but no later than three (3) business days prior to commencement of services. Failure to obtain the required precertification within the specified time frame may result in increased copayment responsibility and/or denial of benefits.

In-home services by a home infusion therapy provider will be authorized only if the following criteria are met:

a. The services are medically necessary and appropriate; and
b. The physician has submitted both a prescription and a plan of treatment prior to services being rendered.

Skilled nursing visits, including skilled nursing visits in association with home infusion therapy services, must be precertified by the Review Center. These visits are included under the Home Health Care benefit. For precertification requirements, see the Home Health Care benefit description on pages 31 and 32.

Hospice Care

80% in or out-of-area

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility.

The lifetime maximum payment is ten thousand dollars ($10,000).

To be eligible for hospice care benefits, charges must be incurred during a “benefit period” or period of bereavement which commences while the family unit is covered under PERS Choice. Such charges must be made by, or under the direction of, a hospice program and incurred for a patient who is terminally ill as certified by his or her treating physician.

A benefit period begins on the date that the treating physician certifies that the patient is terminally ill and ends ninety (90) days after it began or on the date of the patient's death, whichever comes first. If the benefit period ends before the death of the patient, a new benefit period may begin if the treating physician certifies that the patient is still terminally ill. A period of bereavement begins on the date of the patient's death and ends ninety (90) days after it began even though coverage under PERS Choice may have ended on the date of death.

Covered services are provided, under the direction of the treating physician, as follows:

--Full-time, part-time or intermittent skilled nursing service provided by a registered nurse or licensed vocational nurse in the home or in a hospice facility;

--Part-time or intermittent home health services that provide supportive care in the home or in a hospice facility;

--Homemaking services for the patient at the place of residence;

--Counseling for the patient and family. Family counseling includes no more than two (2) visits of bereavement counseling, up to ninety (90) days following the patient's death;

--Up to five (5) days of inpatient hospital care for the patient (respite care).

Hospital Benefits

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

All non-emergency hospitalizations, acute inpatient rehabilitation and specified outpatient procedures require precertification by the Review Center as soon as possible, but no later than three (3) business days prior to commencement of services (except for maternity care and admissions for mastectomy or lymph node dissection). Failure to obtain the required precertification within the specified time frame may result in increased copayment responsibility and/or denial of benefits. For information on Emergency Care Services, refer to pages 30 and 31.

Inpatient Services

Medically necessary accommodations in a semi-private room and all medically necessary ancillary services, supplies, unreplaced blood and take-home prescription drugs, up to a three (3) day supply. Covered benefits will not include charges in excess of the hospital's prevailing semi-private room rate unless your physician orders, and Blue Cross authorizes, a private room as medically necessary.

Outpatient Services

Medically necessary diagnostic, therapeutic and/or surgical services performed at a hospital or outpatient facility, including, but not necessarily limited to, kidney dialysis, chemotherapy, and radiation therapy.

Maternity Hospital Care

80% PPO and out-of-area
60% non-PPO

Hospital services are subject to the calendar year deductible and apply toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Medically necessary physician and hospital services relating to prenatal and postnatal care and complications of pregnancy. Examination, nursery care and circumcision of the newborn are provided if the newborn is enrolled as a family member. An alternative birthing center may be used instead of hospitalization (see page 25).

Under the Newborns' and Mothers' Health Protection Act of 1996, the Plan may not limit length of stay to less than forty-eight (48) hours for normal vaginal delivery or ninety-six (96) hours for Cesarean section delivery. Any earlier discharge of a mother and her newborn child from the hospital must be made by the attending provider in consultation with the mother.

Refer to pages 30 and 31 for emergency maternity admissions.

Mental Health Benefits

Inpatient Care
(for the treatment of all mental disorders other than severe mental illness and serious emotional disturbances of a child)

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and does not apply toward the maximum calendar year copayment responsibility.

Precertification from the Review Center must be obtained three (3) business days prior to admission, or within twenty-four (24) hours or by the end of the first business day following an emergency admission, whichever is later. Failure to obtain the required precertification within the specified time frame may result in increased copayment responsibility and/or denial of benefits.

Benefits are provided for hospital and physician services medically necessary to stabilize an acute psychiatric condition **up to twenty (20) days per calendar year**. Treatment for chronic psychiatric or psychological conditions, non-therapeutic treatment, custodial care, educational programs and inpatient programs and inpatient stays at residential treatment facilities are not covered.

Inpatient care benefits may be utilized to cover outpatient day or evening psychiatric hospital programs when precertified in advance by the Review Center at the rate of two (2) outpatient day or evening treatments to equal one (1) inpatient day of treatment. The outpatient calendar year maximum benefit will not exceed the equivalent of twenty (20) inpatient days per calendar year.

Refer to page 60 for Benefit Limitations, Exceptions and Exclusions of this benefit.

Outpatient Care
(for the treatment of all mental disorders other than severe mental illness and serious emotional disturbances of a child)

80% PPO and out-of-area
60% non-PPO

--Individual and group sessions
--Physician/psychiatrist visits for mental health medication management
--Physician/psychiatrist outpatient consultations
(any combination up to 24 visits per calendar year)

Subject to the calendar year deductible and does not apply toward the maximum calendar year copayment responsibility.

All covered outpatient facility-based care must be precertified by the Review Center at least three (3) business days prior to services being rendered. Failure to obtain the required precertification may result in increased copayment responsibility and/or denial of benefits. Outpatient professional visits provided by a licensed physician/psychiatrist, clinical psychologist or master's level therapist do not require precertification. For information on precertification, refer to pages 45 and 46.

For benefits to be payable, the provider must be a currently licensed physician or mental health provider.

The intent of this benefit is to provide medically necessary treatment to stabilize an acute psychiatric condition up to twenty-four (24) visits per calendar year. Mental health treatment is limited to evaluation, crisis intervention, and treatment for conditions which are subject to significant improvement through short-term therapy. Treatment for chronic psychiatric or psychological conditions, non-therapeutic treatment, custodial care and educational programs are not covered. Visits for psychiatric care (defined on page 92), biofeedback, and psychological testing will be accrued against the maximum benefit of twenty-four (24) visits per calendar year.

Refer to page 60 for Benefit Limitations, Exceptions and Exclusions of this benefit.

Severe Mental Illness and Serious Emotional Disturbances of a Child

Subject to precertification by Blue Cross' Review Center, covered services for treating severe mental illness (defined on page 93) and serious emotional disturbances of a child (defined on page 93) are not subject to the terms, conditions, or benefit maximums described under Mental Health Benefits — Inpatient and Outpatient Care (see above). Benefits for the treatment of severe mental illness and serious emotional disturbances of children under the age of eighteen (18) are provided under the same terms and conditions that apply to other medical conditions, including applicable limitations, exclusions, and benefit maximums.

For inpatient services, precertification from the Review Center must be obtained three (3) business days prior to admission, or within twenty-four (24) hours or by the end of the first business day following an emergency admission, whichever is later. Failure to obtain the required precertification within the specified time frame may result in increased copayment responsibility and/or denial of benefits.

For all other services, precertification by the Review Center must be obtained three (3) business days prior to services being rendered. Failure to obtain the required precertification may result in increased copayment responsibility and/or denial of benefits.

Natural Childbirth Classes

50% of class registration fee up to $50
(whichever is less)

Refresher classes — 50% of class registration
fee up to $25 (whichever is less)

Not subject to the calendar year deductible and does not apply toward the maximum calendar year copayment responsibility.

To prepare new and expectant parents for a natural birthing experience, the Plan will pay up to fifty dollars ($50) or fifty percent (50%) of total fees (whichever is less) for natural childbirth classes. Classes will be reimbursed only when given by licensed instructors certified by ASPO (American Society for Psychoprophylaxis in Obstetrics)/Lamaze Childbirth Educators. Refresher classes are also provided by the Plan up to twenty-five dollars ($25) or fifty percent (50%) of class fees (whichever is less).

Outpatient or Out-of-Hospital Therapies

Speech Therapy

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Subject to a **lifetime maximum payment of five thousand dollars ($5,000)**.

The plan will pay for medically necessary services provided by a qualified speech therapist holding a certificate of competence in clinical speech pathology with the American Speech and Hearing Association.

Speech therapy is considered **Medically Necessary** when your physician prescribes the speech therapy based on a clinical assessment and in accordance with Blue Cross Medical Policy for speech therapy. Under the direction of your physician, the speech therapist will develop a specific speech therapy **plan of care**. The speech therapist will provide the services as specified in that plan of care.

Speech therapy services must be documented in a **plan of care** which must be submitted with the claim. The plan of care must:

--Identify the types and frequency of treatment used;
--Be updated during ongoing therapy (indicates progress/plateau toward goal);
--Be re-evaluated quarterly by your physician.

Refer to page 61 for Benefit Limitations, Exceptions and Exclusions related to this benefit.

Physical Therapy and Occupational Therapy

80% PPO and out-of-area (Physical Therapy)
60% non-PPO (Physical Therapy)
80% in or out-of-area (Occupational Therapy)

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Upon referral by a physician, medically necessary services are covered when rendered by a licensed physical therapist or a licensed occupational therapist for the treatment of an acute condition. **Benefits are limited to a combined total of three thousand five hundred dollars ($3,500) per calendar year.**

Cardiac Rehabilitation

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Upon referral of a physician, medically necessary services are covered **to a maximum of one thousand five hundred dollars ($1,500) per calendar year** when provided by licensed personnel in a formal cardiac rehabilitation program.

Pulmonary Rehabilitation

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Upon referral of a physician, medically necessary services are covered **to a maximum of one thousand five hundred dollars ($1,500) per calendar year** when provided by licensed personnel in a formal pulmonary rehabilitation program.

Physician Services

Physician Office Visits and
Physician Outpatient Hospital Visits

$20 Copay, PPO and out-of-area
60% non-PPO

The twenty dollar ($20) copayment applies only to the visit portion of the physician's bill. The $20 copayment to a Preferred Provider is not subject to the calendar year deductible and does not apply toward the maximum calendar year copayment responsibility. You will be required to continue to pay the $20 copayment for such visits even after you have reached the maximum calendar year copayment responsibility amount. Other physician services rendered during an office visit or outpatient hospital visit are paid at eighty percent (80%) of the Allowable Amount (see Other Physician Services below).

Visits to a non-Preferred Provider are subject to the calendar year deductible; however, the maximum calendar year copayment responsibility is unlimited for visits to non-Preferred Providers.

The $20 copayment applies to non-emergency physician services received in the emergency room of a hospital. This copayment applies to the charge for the physician visit only.

Other Physician Services

80% PPO and out-of-area
60% non-PPO

Physician services received during an office visit (e.g., lab work or stitching a wound) are subject to the calendar year deductible and apply toward the maximum calendar year copayment responsibility if services are received from Preferred Providers. This includes any separate facility charge by an affiliated hospital for a covered office visit to a physician.

Services received from a non-Preferred Provider are subject to the calendar year deductible; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

NOTE: Visits and consultations by an ophthalmologist for an active illness are covered under the Physician Services benefit described above. Physician visits determined to be Emergency Care Services and received in an emergency room are covered under the Emergency Care Services benefit (as described on pages 30 and 31). Except for services related to severe mental illness and serious emotional disturbances of a child, physician services related to mental health or substance abuse are covered under the Mental Health or Substance Abuse benefit, respectively. Physician services related to surgery are covered under Hospital Benefits. Services related to chiropractic care are covered under the Chiropractic and Acupuncture benefit. Health care services provided via telemedicine (defined on page 94) may be covered under the Telemedicine Program benefit (as described on page 40).

Prior Authorization is required for certain drugs that are dispensed and administered in a physician's office.

Preventive Care

100% PPO and out-of-area
60% non-PPO

Services received from Preferred Providers are not subject to the calendar year deductible. Services received from non-Preferred Providers are subject to the calendar year deductible, and the maximum calendar year copayment responsibility is unlimited for services received from non-Preferred Providers.

Benefits include health care services designed for the prevention and early detection of illness in Members who have not experienced any symptoms. Preventive care generally includes routine physical examinations, tests and immunizations.

For purposes of this benefit, "preventive" means physician visits for preventive care services only and **excludes visits for treatment of illness or injury**.

Refer to pages 95 through 98 for specific preventive care guidelines for children, adolescents, adults, and seniors.

Reconstructive Surgery

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Precertification from the Review Center must be obtained as soon as possible, but no later than thirty (30) business days prior to commencement of services. Failure to obtain the required precertification within the specified time frame may result in increased copayment responsibility and/or denial of benefits.

Hospital and physician services provided in connection with reconstructive surgery are a benefit only to the extent that surgery is coincident with and necessary to the repair or alleviation of bodily damage caused by illness, congenital anomaly, or accidental injury. However, dental surgery, including dental implants (materials implanted into or on bone or soft tissue), is not covered even if related to emergency care services or treatment of injury. Services must commence within ninety (90) days from the date on which the injury was sustained or within ninety (90) days of the date treatment was first medically appropriate.

Reconstructive surgery performed to restore symmetry following a mastectomy for documented medical pathology, such as cancer, is covered. Prosthetic devices and services provided in connection with a mastectomy are a benefit regardless of when the mastectomy was performed. Benefits are also payable for medically necessary services provided in connection with complications arising from reconstructive surgery.

Benefits are not payable for services provided in connection with complications arising from a non-authorized or cosmetic procedure.

Skilled Nursing Facility

First 10 days: 80% PPO and out-of-area
Next 90 days: 70% PPO and out-of-area
For all non-PPO services: 60%

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Admission and services in connection with confinement in a skilled nursing facility must be precertified by the Review Center as soon as possible, but no later than three (3) business days prior to admission. Failure to obtain the required precertification within the specified time frame may result in increased copayment responsibility and/or denial of benefits.

Benefits are provided for medically necessary confinement in a skilled nursing facility, if necessary, instead of hospital confinement, up to one hundred (100) days combined for both Preferred Providers and non-Preferred Providers, during each calendar year. Room and board charges in excess of the facility's established semi-private room rate are not covered. These benefits will only be provided if services are:

1. prescribed by the patient's physician;
2. for skilled and not custodial care; and
3. for the continued treatment of an injury or illness.

Smoking Cessation Program

100% of covered program charge, up to $100 per calendar year

Not subject to the calendar year deductible and does not apply toward the maximum calendar year copayment responsibility.

The plan will reimburse the Plan Member **up to a maximum of one hundred dollars ($100) per calendar year** for behavior modifying smoking cessation counseling or classes or alternative treatments, such as acupuncture or biofeedback, for the treatment of nicotine dependency or tobacco use when not covered under benefits stated elsewhere in this Evidence of Coverage. A legible copy of dated receipts for expenses must be submitted along with a claim form to Blue Cross to obtain reimbursement.

Substance Abuse

The lifetime maximum payment for any combination of inpatient and outpatient substance abuse services is twelve thousand dollars ($12,000).

Inpatient Care

80% PPO and out-of-area
60% non-PPO

Subject to the calendar year deductible and does not apply toward the maximum calendar year copayment responsibility.

Precertification from the Review Center must be obtained three (3) business days prior to admission, or within twenty-four (24) hours or by the end of the first business day following an emergency admission, whichever is later. Failure to obtain the required precertification within the specified time frame may result in increased copayment responsibility and/or denial of benefits.

Benefits are provided for hospital and physician services medically necessary for short-term (3 to 5 days) medical management of detoxification or withdrawal symptoms, **up to twenty (20) days per calendar year**. Charges in connection with inpatient rehabilitation services and inpatient programs and inpatient stays at residential treatment facilities for substance abuse treatment are not a covered benefit of the Plan.

Inpatient care benefits may be utilized to cover outpatient day or evening substance abuse treatment programs when precertified in advance by the Review Center, at the rate of two (2) outpatient day or evening treatments to equal one (1) inpatient day of treatment. The outpatient calendar year maximum benefit will not exceed the equivalent of twenty (20) inpatient days per calendar year.

Refer to page 60 for Benefit Limitations, Exceptions and Exclusions related to this benefit.

Outpatient Care

80% PPO and out-of-area
60% non-PPO

--Individual and group sessions
--Physician/psychiatrist visits for mental health drug management
--Physician/psychiatrist outpatient consultations
(any combination up to 24 visits per calendar year)

Subject to the calendar year deductible and does not apply toward the maximum calendar year copayment responsibility.

For benefits to be payable, the provider must be a currently licensed physician or mental health provider.

All covered outpatient facility-based care must be precertified by the Review Center at least three (3) business days prior to services being rendered. Failure to obtain the required precertification may result in increased copayment responsibility and/or denial of benefits. Outpatient professional visits provided by a licensed physician/psychiatrist, clinical psychologist or master's level therapist do not require precertification. For information on precertification, refer to pages 45 and 46.

The intent of this benefit is to provide medically necessary treatment to stabilize an acute substance abuse condition, up to twenty-four (24) visits per calendar year.

Telemedicine Program

$20 Copay, consultation or second opinion by Blue Cross of California's Telemedicine Network Specialty Center

80% all other services by Blue Cross of California's Telemedicine Network

The twenty dollar ($20) copayment to a Telemedicine Network provider applies only to the consultation or second opinion portion of the Specialty Center's bill. The $20 copayment is not subject to the calendar year deductible and does not apply toward the maximum calendar year copayment responsibility. You will be required to continue to pay the $20 copayment for such encounters even after you have reached the maximum calendar year copayment responsibility amount.

Other services provided by a Telemedicine Network Presentation Site or Specialty Center are subject to the calendar year deductible and apply toward the maximum calendar year copayment.

Coverage will be provided for telemedicine, as defined on page 94, for Plan Members residing in rural areas of California only when provided by Blue Cross' Telemedicine Network of designated providers specifically equipped and trained to provide telemedicine health care services. To find out if you're eligible to access care through the Telemedicine Program or the location of Presentation Sites and Specialty Centers, call Blue Cross Telemedicine Department toll-free at 1-866-855-2271.

Temporomandibular Disorder (TMD) and Maxillomandibular Musculoskeletal Disorder Benefits

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

The lifetime maximum payment for any combination of diagnostic services and professional non-surgical or medical/conservative treatment is five thousand dollars ($5,000).

***Temporomandibular Disorder (TMD*)**

80% PPO and out-of-area
60% non-PPO

Temporomandibular disorder (TMD) is a term that defines clinical problems of the masticatory musculature (muscles involved in chewing), the temporomandibular joint (TMJ), or both. TMJ refers to the joint that connects the lower jaw (mandible) to the skull. The diagnostic standard for TMD is based on an evaluation of the patient, history and clinical examination signs and symptoms supplemented, when appropriate, by X-rays or imaging.

Medically necessary treatment, including diagnostic services, non-surgical/medically conservative treatment, and surgical management for TMD, will be covered when the services and proposed treatment plan have been precertified by the Review Center.

Orthodontic appliances, splints, or braces used in preparation for orthodontia are not a Plan benefit (i.e., orthodontic services, including appliances, splints or braces either pre-operatively or post-operatively for jaw surgery, are not a Plan benefit). Refer to page 58 for Benefit Limitations, Exceptions and Exclusions listed under Dental Services, General.

Precertification from the Review Center must be obtained at least three (3) business days prior to diagnostic services and as soon as medical/surgical treatment is planned, but no later than thirty (30) business days prior to commencement of medical/surgical treatment. Failure to obtain the required precertification may result in increased copayment responsibility and/or denial of benefits. In addition, a penalty of five hundred dollars ($500) may be assessed on inpatient charges or two hundred and fifty dollars ($250) on outpatient charges for failure to comply with this requirement. **Medically necessary surgical management will be covered as determined by the Review Center only after failed non-surgical/medically conservative treatment has been completed and documented in the medical record.**

Maxillomandibular Musculoskeletal Disorders

80% PPO and out-of-area
60% non-PPO

Maxillomandibular musculoskeletal functional disorders are congenital or developmental skeletal deformities of the maxilla (upper jaw) and/or mandible (lower jaw).

Medically necessary treatment, including medical and surgical management for maxillomandibular musculoskeletal functional disorders, will be covered when there is a significant functional impairment.

Precertification from the Review Center of all maxillomandibular musculoskeletal surgical procedures must be obtained as soon as treatment is planned, but no later than thirty (30) business days prior to commencement of services. Failure to obtain the required precertification may result in increased copayment responsibility and/or denial of benefits. In addition, a penalty of five hundred dollars ($500) may be assessed on inpatient charges or two hundred and fifty dollars ($250) on outpatient charges for failure to comply with this requirement.

Orthodontic appliances, splints, or braces used in preparation for orthodontia are not a Plan benefit (i.e., orthodontic services, including appliances, splints or braces either pre-operatively or post-operatively for jaw surgery, are not a Plan benefit). Refer to page 58 for Benefit Limitations, Exceptions and Exclusions listed under Dental Services, General.

Transplant Benefits

Kidney, Cornea, and Skin Transplants

Hospital Services	80% PPO and out-of-area 60% non-PPO
Evaluations and Diagnostic Tests	80% PPO and out-of-area 60% non-PPO

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility if services are received from Preferred Providers; however, the maximum calendar year copayment responsibility is unlimited if services are received from non-Preferred Providers.

Precertification for kidney, cornea, and skin transplants must be obtained from the Review Center as soon as possible, but no later than thirty (30) business days prior to commencement of services. Failure to obtain the required precertification within the specified time frame may result in increased copayment responsibility and/or denial of benefits.

Hospital and professional services provided in connection with human organ transplants are a benefit only to the extent that:

1. they are medically necessary and medically appropriate for the patient;
2. they are provided in connection with the transplant of a kidney, a cornea, or skin; and
3. the recipient of such transplant is a subscriber or dependent.

Covered expenses for the donor, including donor testing and donor search, are limited to those incurred for medically necessary medical services only. Reasonable charges for services incident to obtaining the transplanted material from a living donor or a human organ transplant “bank” will be covered and charged against the lifetime aggregate maximum payment amount.

Special Transplant Benefit

Hospital Services	80% at Blue Cross of California Centers of Expertise
Evaluations and Diagnostic Tests	80% at Blue Cross of California Centers of Expertise

Subject to the calendar year deductible and applies toward the maximum calendar year copayment responsibility.

The Special Transplant Benefit is limited to the procedures listed below. These benefits will be covered only when the procedure is in accordance with Blue Cross Medical Policy, and prior **written** authorization has been obtained from Blue Cross' Corporate Medical Director, and the services are performed at an approved Blue Cross of California Centers of Expertise (COE). Blue Cross' Corporate Medical Director shall review all requests for prior approval and shall approve or deny benefits based on (a) the medical necessity and medical appropriateness of the transplant for the patient, (b) the qualifications of the physicians who will perform the procedure, and (c) the referral of the subscriber or dependent to a facility that is an approved Blue Cross Centers of Expertise (COE).

Pre-transplant evaluation and diagnostic tests, transplantation, and follow-ups will be allowed only at Blue Cross of California COEs. Non-acute/non-emergency evaluations, transplantations and follow-ups at facilities other than Blue Cross of California COEs will **not** be covered. Evaluation of potential candidates by Blue Cross of California COEs is covered subject to prior authorization. In general, more than one evaluation (including tests) within a short time period and/or at more than one Blue Cross of California COE will not be authorized unless the medical necessity of repeating the service is documented and the Review Center has reviewed the documentation and precertified the service.

For information on Blue Cross of California Centers of Expertise, call 1-800-451-6780.

Failure to obtain prior written authorization will result in denial of claims for this benefit.

The Special Transplant Benefit provision only applies to:

--Human heart transplants
--Human lung transplants
--Human heart and lung transplants in combination
--Human liver transplants
--Human pancreas transplants
--Human kidney and pancreas transplants in combination
--Human bone marrow transplants, peripheral stem cell transplantation, or umbilical cord transplants
--Human small bowel transplants
--Human small bowel and liver transplants in combination

Blue Cross Centers of Expertise agree to accept the COE Transplant Facilities Negotiated Amount as payment for covered services. Plan Members are responsible for the remaining twenty percent (20%) of the lesser of Billed Charges or the COE Transplant Facilities Negotiated Amount for covered services and all charges for non-covered services.

Covered expenses for the donor, including donor testing and donor search, are limited to those incurred for medically necessary medical services only. Reasonable charges for services incident to obtaining the transplanted material from a living donor or an organ transplant "bank" will be covered and charged against the lifetime aggregate maximum payment amount.

The Review Center's Transplant Coordinator can assist in facilitating your access to a Blue Cross Centers of Expertise. Please notify the Review Center at 1-800-451-6780 as soon as your provider recommends a transplant for your medical care.

COE providers are not available outside California; therefore, Plan Members who do not live in California will be referred by Blue Cross' Transplant Coordinator to other qualified facilities.

Travel Benefits for Special Transplant Services

Certain travel expenses incurred by the Member may be covered in connection with an authorized special transplant (heart, liver, lung, heart-lung, kidney-pancreas, or bone marrow, including autologous bone marrow transplant, peripheral stem cell replacement and similar procedures) performed at a Blue Cross of California Centers of Expertise (COE) when 250 miles or more from the recipient's or donor's place of residence.

Travel expenses must be authorized in advance by the Review Center's Transplant Coordinator. Prior authorization can be obtained by calling toll free (888) 613-1130. A legible copy of dated receipts for all expenses must be submitted along with a claim form to Blue Cross of California to obtain reimbursement. No benefits are payable for unauthorized travel expenses.

The calendar year deductible will not apply, and no co-payments will be required for authorized transplant travel expenses.

Covered travel expenses include the recipient's and his or her companion's transportation to and from the COE, up to six (6) trips per transplant, not to exceed $250 per trip for round-trip coach airfare for each person. Hotel accommodations are limited to $100 per day for one room double occupancy for up to twenty-one (21) days per trip. Other reasonable and necessary expenses, such as meals, are limited to $25 per day for each person up to twenty-one (21) days per trip.

Coverage for the donor's transportation to and from the COE is limited to one trip per transplant, not to exceed $250 for round-trip coach airfare. Hotel accommodations are limited to one room not to exceed $100 per day for up to seven (7) days. Other reasonable and necessary expenses, such as meals, are limited to $25 per day for up to seven (7) days.

Tobacco, alcohol and drug expenses are not covered.

UTILIZATION REVIEW

To determine whether services are medically necessary and efficiently delivered, Blue Cross' Review Center provides utilization review of all hospitalizations, including emergencies, and all the specified procedures/services and outpatient surgeries listed on page 45 under Services Requiring Precertification. Precertification by the Review Center is required before these benefits will be payable. Failure to obtain the required precertification under the terms and conditions specified in this document may result in increased liability or a complete denial of benefits.

The Review Center's services provide you with specific advantages:

- You will be provided with information that can help you qualify for the highest level of benefits under the Plan, thus minimizing your out-of-pocket costs.

- You will have telephone access to a clinical professional who can coordinate the review of your care. This Coordinator can assist in answering questions you may have about your proposed treatment.

For precertification of hospitalizations and of the procedures/services and outpatient surgeries specified under precertification, contact the Review Center at 1-800-451-6780. Although your provider may notify the Review Center of an upcoming non-emergency hospitalization or outpatient surgery/service requiring precertification, it is ultimately your responsibility, not your provider's, to call the Review Center. A Coordinator may need to speak with both you and your physician during the medical necessity review process.

If you elect to receive services from a different facility or provider after the Review Center has precertified a procedure, you must contact the Review Center again to obtain precertification.

Precertification

Precertification is required no later than three (3) business days or thirty (30) business days (see below) prior to commencement of the procedure, service or surgery.

It is your responsibility, not your provider's, to call the Review Center. Failure to obtain precertification from the Review Center within the specified time frames will result in increased liability or complete denial if it is determined that the services were not medically necessary or not a covered benefit of the Plan.

UTILIZATION REVIEW

Services Requiring Precertification

The following is a summary of the services requiring precertification.

3-Day Requirement	30-Day Requirement
Precertification is required no later than three (3) business days prior to commencement of the following procedures, services and surgeries: • Home infusion therapy services • Inpatient hospitalization • Acute inpatient rehabilitation • Skilled nursing facility (see page 38) • Home health care (see pages 31 and 32) • All inpatient mental health or substance abuse treatment (see pages 34, 35 and 39) • All outpatient facility-based care for mental health or substance abuse treatment (see pages 34, 35 and 39) • Temporomandibular disorder (TMD) treatment and diagnostic services, including MRIs • Septoplasty and sinus-related surgeries • Penile implant surgeries • Bariatric surgeries	Precertification is required no later than thirty (30) business days prior to commencement of the following procedures and surgeries: • Temporomandibular disorder (TMD) surgeries • Maxillomandibular musculoskeletal surgeries • Any plastic or reconstructive procedures/surgeries • Kidney, cornea and skin transplants • Hepatic Activation/Chronic Intermittent Intravenous Insulin Infusion Therapy/Pulsatile Intravenous Insulin Infusion Therapy Treatments

If you fail to obtain precertification from the Review Center for the services listed above, or if there are serious questions on the Plan's part as to the medical necessity or purpose for which a service was provided, the Review Center may review the services provided to you after they have been rendered. This is known as retrospective review. This review may result in a determination that reimbursement will be reduced or even denied under certain circumstances. Any subsequent adjustment in benefit levels as a result of retrospective review will be communicated to you in writing.

Even though services that require precertification may ultimately be approved after retrospective review, financial sanctions may nevertheless be applied if the Member failed to obtain precertification from the Review Center.

Precertification for Treatment of Mental Disorders, Substance Abuse, Severe Mental Illness and Serious Emotional Disturbances of a Child

You must call Blue Cross' Review Center at 1-800-451-6780 for precertification of any facility-based treatment for mental disorders (including severe mental illness and serious emotional disturbances of a child) and substance abuse. Normal business hours are from 7:30 a.m. to 5:30 p.m. PST (Pacific standard time) Monday through Friday. If you have an urgent situation that requires immediate attention outside normal business hours, call 1-800-451-6780 and select the appropriate after-hours option.

Licensed mental health professionals are available to take your call after normal business hours, and during weekends and holidays.

When you call the Review Center, an intake representative:

- will verify eligibility and obtain demographic information;
- will evaluate whether you need to speak immediately with a licensed mental health professional (care manager) at the Review Center; and
- if appropriate, may refer you to a mental health provider in your area.

Following this screening process, the representative may also authorize initial visits with a mental health provider. The provider will:

- evaluate, diagnose and identify your specific treatment needs in a face-to-face interview;
- develop an appropriate treatment plan for you; and
- submit your treatment plan *in writing* to Blue Cross' Review Center for precertification.

To complete the precertification process, a care manager at the Review Center will evaluate the medical necessity and appropriateness of the treatment plan submitted by your provider. If the plan is accepted, the care manager will precertify additional services if necessary. In other words, a specific number of visits, days, or treatments will be authorized.

Emergency Admission

The Review Center must be notified of an emergency admission within twenty-four (24) hours or by the end of the first business day following admission, whichever is later, unless extraordinary circumstances prevent such notification within that time period. In determining "extraordinary circumstances," the Review Center may take into account whether your condition was severe enough to prevent you from notifying them, or whether no one was available to provide the notification for you. You may have to prove that such extraordinary circumstances were present at the time of the emergency.

The hospital, your physician, a family member, or a friend may call the Review Center if you are unable to call yourself. However, it is still your responsibility to make sure that the Review Center has been contacted. After the Review Center has been notified, a Coordinator will contact the hospital or your physician to obtain information on the recommended treatment plan.

Non-Emergency Admission

The Review Center must be contacted for precertification at least three (3) business days prior to a non-emergency inpatient hospital stay or outpatient surgery/service requiring precertification. Precertification is not required for maternity admissions or admissions for mastectomy or lymph node dissection.

Staff in the Review Center may need to speak with both you (or the patient) and your physician prior to making their decision regarding medical necessity. During your hospital stay or ongoing treatment, the Review Center's staff will continue to manage and follow your care (known as concurrent review).

Although precertification is not required for inpatient hospital stays for maternity care, concurrent review will be performed if you remain in the hospital longer than 48 hours following a normal delivery or 96 hours following a Cesarean section delivery.

Staff in the Review Center will not contact you in the hospital regarding their recommendation without your permission. You may, however, advise the Review Center if you wish to be contacted in the hospital or if you wish to designate someone else to be contacted.

If you disagree with the Review Center's recommendation regarding continuing care, you or your physician may request a concurrent appeal by calling the Review Center. You do not need to leave the hospital or discontinue treatment; however, you may be liable for expenses beyond the date of the Review Center's precertification.

Refer to pages 76 through 78 for more information on utilization review appeal procedures.

Financial sanctions may be applied if the proposed hospital admission, outpatient surgery or other service is scheduled less than three (3) business days from the date you notify the Review Center. In this case, if you wish to meet the notification requirements, you may wish to discuss the pros and cons of postponing the service with your physician.

UTILIZATION REVIEW

Case Management

The purpose of Case Management services is to assist PERS Choice Members in obtaining high quality, cost-effective care. The Member, the Member's physician or the Plan may request that the Review Center perform Case Management services for Members who have multiple medical problems; or utilize extensive health care services; or would benefit from assistance with coordination of health care services.

If Case Management services are requested for and accepted by a PERS Choice Member, the Member will avoid higher out-of-pocket expenses by compliance and cooperation with the Review Center's Case Management services. All services are subject to review for medical necessity by the Review Center for the patient in Case Management even though the services under review may not be listed in the PERS Choice Evidence of Coverage as requiring review.

OUTPATIENT PRESCRIPTION DRUG PROGRAM

Outpatient Prescription Drug Benefits

The Outpatient Prescription Drug Program is administered by Caremark. This program will pay for prescription medications which are: (a) prescribed by a licensed physician in connection with a covered illness or accidental injury; (b) dispensed by a registered pharmacist, subject to the exclusions listed on pages 55 and 56; and (c) approved through the Coverage Management Programs described on pages 53 and 54. All prescription medications are subject to clinical review under coverage management programs described on pages 53 and 54 including utilization review.

Covered prescription drugs prescribed by a licensed physician and dispensed by a registered pharmacist may be obtained either through the Caremark Retail Pharmacy Program or the Caremark Mail Service Program.

The Plan's drug program is designed to save you and the Plan money without compromising safety and effectiveness standards by encouraging you to ask your physician to prescribe generic drugs whenever possible and to also prescribe medications on Caremark's Preferred Drug List. Members can still receive any covered medication and your physician still maintains the choice of medication prescribed.

Coordination of Benefits provisions do not apply to the Outpatient Prescription Drug Program.

Copayment Structure

The Plan's copayment structure includes generic, Preferred and Non-Preferred Brand medications. The Member has an incentive to use generic and Preferred Brand drugs, and mail service for maintenance medications. Your copayment will vary depending whether you use generic, Preferred or Non-Preferred brand-name medications, or whether you purchase maintenance medications at the retail pharmacy after the second fill.

The following table shows the copayment structure for the retail pharmacy and mail service programs:

Retail Pharmacy (Short-term use)	**Retail Pharmacy Maintenance Medications* filled at Retail after 2nd fill** (A maintenance medication* taken longer than 60 days for a long-term or chronic condition)	**Mail Service** (A maintenance medication* taken longer than 60 days for a long-term or chronic condition)
Generic **$5.00**	Generic **$10.00**	Generic **$10.00**
Preferred Brand **$15.00**	Preferred Brand **$25.00**	Preferred Brand **$25.00**
Non-Preferred Brand **$45.00**	Non-Preferred Brand **$75.00**	Non-Preferred Brand **$75.00**
Medically Necessary waiver of Non-Preferred Brand copayment** **$30.00**	Medically Necessary waiver of Non-Preferred Brand copayment** **$45.00**	Medically Necessary waiver of Non-Preferred Brand copayment** **$45.00**
Up to a 30-day supply	**Up to a 30-day supply**	**Up to a 90-day supply**
Out-of-Pocket Maximum, per person (Mail Service Only)	**not applicable**	**$1,000**

OUTPATIENT PRESCRIPTION DRUG PROGRAM

* A maintenance medication does not require frequent dosage adjustments, and is prescribed to treat a long-term condition, such as birth control, or chronic condition, such as arthritis, diabetes, and high blood pressure. Ask your physician if you will be taking a prescribed medication longer than 60 days. If you purchase a maintenance prescription at a retail pharmacy after the 2nd fill, you will be charged the applicable mail service copayment described above.

Examples of common long-term or chronic conditions:

Birth control
Hypertension or high blood pressure
Hyperlipidemic or High Cholesterol
Diabetes

Examples of common short-term acute illnesses or conditions:

Influenza
Pneumonia
Urinary tract infection

** In order to obtain a Non-Preferred Brand-Name Drug at the medically necessary Non-Preferred Brand copayment, you must request a waiver of the Non-Preferred Brand Copay based on medical necessity through Caremark's formal appeals process outlined on page 79. In order to establish medical necessity, your physician must document why you cannot tolerate the preferred products and the available generic alternatives, or that you have tried the preferred products or available generic alternatives without clinical success.

The copayment applies to each prescription order and to each refill. The copayment is not reimbursable and cannot be used to satisfy any deductible requirement. (Under some circumstances your prescription may cost less than the actual copayments, and you will be charged the lesser amount.)

All prescriptions filled by mail service will be filled with a FDA-approved bioequivalent generic substitute if one exists, unless your physician specifies otherwise. A one thousand-dollar ($1,000) maximum calendar year copayment (per person) applies to mail order prescriptions.

Although Generic Medications (defined on page 89) are not mandatory, the Plan encourages you to purchase generics whenever possible. Generic Medications may differ in color, size, or shape, but the Federal Drug Administration (FDA) requires that they have the same quality, strength, purity and stability as the Brand-Name Medications (defined on page 87). Prescriptions filled with Generic Medications have lower copayments and also help to manage the increasing cost of health care without compromising the quality of your pharmaceutical care.

Retail Pharmacy Program

Medication for a short duration, up to a 30-day supply, may be obtained from a Participating Pharmacy by using your PERS Choice ID card.

While this program was designed primarily for use in California, there are many Participating Pharmacies outside California that will also accept your PERS Choice ID card. At Participating Pharmacies, simply show your ID card and pay either a five dollar ($5.00) copayment for generic medications, a fifteen dollar ($15.00) copayment for Preferred brand-name medications, a forty-five dollar ($45.00) copayment for Non-Preferred brand-name medications, or a thirty ($30.00) copayment for Medically Necessary Waiver of Non-Preferred Brand copayment. If the pharmacy does not accept your ID card, and is a Non-Participating Pharmacy (defined on page 90), there is additional cost to you.

To find a Participating Pharmacy close to you, simply visit the Caremark Web site at www.caremark.com, or contact Caremark Customer Service at 1-866-999-7377. If you want to utilize a Non-Participating Pharmacy, please follow the procedure for using a Non-Participating Pharmacy described on page 50.

OUTPATIENT PRESCRIPTION DRUG PROGRAM

How To Use The Retail Pharmacy Program Nationwide

Participating Pharmacy

1. Take your prescription to any Participating Pharmacy. To locate a Participating Pharmacy near you, visit the Caremark Web site at www.caremark.com, or contact Caremark Customer Service at 1-866-999-7377.

2. Present your PERS Choice ID card to the pharmacist. The pharmacist will fill the prescription for up to a 30-day supply of medication. Verify that the pharmacist has accurate information about you and your covered dependents, including date of birth and gender.

3. You will be required to pay the pharmacist your appropriate copayment for each prescription order or refill. You may be required to sign a receipt for your prescription at the pharmacy.

4. In the event you do not have your ID card prior to going to the pharmacy, contact Caremark Customer Service at 1-866-999-7377 for assistance with processing your prescription at a Participating Pharmacy. In order to obtain an ID card, you may contact the Blue Cross Customer Service Department at 1-877-737-7776. If you pay the Participating Pharmacy the full cost of your medication at the time of purchase without presenting your ID card, your reimbursement will be the same as if you had used a Non-Participating Pharmacy. (See example below.)

Non-Participating Pharmacy

If you purchase medications at a Non-Participating Pharmacy, either inside or outside California, **you will be required to pay the full cost of the medication at the time of purchase**. To receive reimbursement, complete a Caremark Prescription Drug Claim Form and mail it to the address indicated on the form. **Claims must be submitted within twelve (12) months from the date of purchase to be covered. Any claim submitted outside the twelve (12) month time period will be denied.**

Payment will be made directly to you. It will be based on the amount that the Plan would reimburse a Participating Pharmacy minus the applicable copayment.

Example of Direct Reimbursement Claim for a Preferred Brand-Name Medication

1.	Pharmacy charge to you (Retail Charge)	$ 38.00
2.	Minus Caremark's Allowable Amount on a Preferred Brand-Name Medication	($ 20.00)
3.	Amount you pay in excess of Caremark's Allowable Amount due to not using your ID Card	$ 18.00
4.	Plus your copayment for a Preferred Brand-Name Medication	$ 15.00
5.	Your out-of-pocket cost would be	$ 33.00

If you had used your ID Card, the Pharmacy would only charge the Plan $20.00 for the drug, and your out-of-pocket cost would only have been the $15.00 copayment.

As you can see, using Non-Participating Pharmacies, or not using your ID card at a Participating Pharmacy, results in substantially more cost to you than using your ID card at a Participating Pharmacy. Under certain circumstances, your copayment amount may be higher than the cost of the medication and no reimbursement would be allowed.

Note: Covered medications purchased from your physician will be reimbursed under the Non-Participating Pharmacy benefit through Caremark.

Direct Reimbursement Claim Forms

To obtain a Caremark Prescription Drug Claim Form and information on Participating Pharmacies, visit the Caremark Web site at www.caremark.com, or contact Caremark Customer Service at 1-866-999-7377.

OUTPATIENT PRESCRIPTION DRUG PROGRAM

Mail Service Program

Maintenance medications for long-term or chronic conditions may be obtained by mail, for up to a ninety (90) day supply, through Caremark's Mail Service Program. Mail service offers additional savings and convenience if you need prescription medication on an ongoing basis. For example:

- **Additional Savings**: You can receive up to a **ninety (90) day supply** of medication for only ten dollars ($10.00) for each generic medication, twenty-five dollars ($25.00) for each Preferred brand-name medication, seventy-five dollars ($75.00) for each Non-Preferred brand-name medication or forty-five dollars ($45.00) for each Medically Necessary Waiver of Non-Preferred Brand copayment. In addition to out-of-pocket cost savings, you save additional trips to the pharmacy.
- **Convenience:** Your medication is delivered to your home by mail.
- **Security:** You can receive up to a 90-day supply of medication at one time.
- **A toll-free customer service number:** Your questions can be answered by contacting a Caremark Customer Service Representative at 1-866-999-7377.
- **Out-of-pocket maximum:** Your maximum calendar year copayment (per person) through the mail service program is one thousand dollars ($1,000).

How To Use The Mail Service Program

If you must take medication on an ongoing basis, the Mail Service Program is ideal for you. To use this program, just follow these steps:

1. Ask your physician to prescribe maintenance medications for up to a ninety (90) day supply, plus refills if appropriate.

2. Send the following to Caremark Mail Service Program in the pre-addressed mail service envelope:

   a. The original prescription order(s) – **Photocopies are not accepted**.

   b. A completed Caremark Participant Profile/Order Form. The Caremark Participant Profile/Order Form can be obtained by visiting the Caremark Web site at www.caremark.com, or by contacting Caremark Customer Service at 1-866-999-7377 and using the automated phone system or requesting to speak with a customer service representative.

   c. A check or money order for an amount that covers your copayment for each prescription: $10 generic, $25 Preferred brand-name, $75 Non-Preferred brand-name or $45 Medically Necessary Waiver of Non-Preferred Brand. Checks or money orders should be made payable to Caremark. You can also have your copayment(s) charged to your credit card (VISA, Discover, MasterCard, or American Express) by providing the information on the Participant Profile/Order Form.

3. To order your mail service refill:

   a. Use Caremark's Web site
   Visit **www.caremark.com**, your on-line prescription service, to order prescription refills or inquire about the status of your order. You will need to register on the site and log in. When you register you will need the cardholder's ID number and Group Code that is indicated on the ID card.

   b. Call Caremark's Automated Refill Phone System
   Caremark's automated telephone service gives you a convenient way to refill your prescriptions at any time of the day or night. Call 1-866-999-7377 for Caremark's fully automated refill phone service. When you call, be ready to provide the cardholder's ID number, Member's year of birth, and your credit card number along with the expiration date.

c. Refill by Mail

Order three weeks in advance of your current prescription running out. Refill dates will be included on the prescription label you receive from Caremark. Attach the refill label provided with your prescription order to a Caremark Mail Service Order Form along with your payment. Mail the order form to Caremark in the pre-addressed envelope included with your previous shipment.

If you have questions regarding Caremark's Mail Service Program or to find out if your medication is on Caremark's Preferred Drug List, visit the Caremark Web site at **www.caremark.com**, or contact Caremark Customer Service at 1-866-999-7377. All prescriptions received through mail service will be filled with a FDA-approved bioequivalent generic substitute if one exists, unless your physician specifies otherwise.

PRESCRIPTION DRUG COVERAGE MANAGEMENT PROGRAMS

Coverage Management Programs

The Plan's Prescription Drug Coverage Management Programs include a Prior Authorization Program, Point of Sale Utilization Review, Pharmaceutical Therapy Management, and Specialty Pharmacy Services. Additional programs may be added at the discretion of the Plan.

The Plan may implement additional new programs designed to ensure the medical appropriateness and cost effectiveness of prescription medications dispensed to its Members under this Plan. **As new drugs are developed, including generic versions of brand-name drugs, or when drugs receive FDA approval for new or alternative uses, the Plan reserves the right to review the coverage of those drugs or class of drugs under the Plan. The Plan reserves the right to exclude, discontinue or limit coverage of those drugs or class of drugs following such review. Any benefit payments made for a prescription medication shall not invalidate the Plan's right to make a determination to exclude, discontinue or limit coverage of that medication at a later date.**

Prior Authorization Program

The purpose of the Prior Authorization Program, which is administered by Caremark in accordance with the Plan, is to ensure that certain medications, including but not limited to those listed below, are used in accordance with specific criteria for medical appropriateness and cost-effectiveness.

The drugs and drug categories listed below as requiring Prior Authorization are subject to change. If you fail to obtain Prior Authorization, or if Prior Authorization is denied, the Plan will not cover the cost of the medication.

If your prescription requires a Prior Authorization, the dispensing pharmacist is notified by an automated message before the drug is dispensed. Your physician is then contacted by a Caremark pharmacist to verify that the prescribed medication meets the Plan's approved guidelines. This process is usually completed within forty-eight (48) hours. You will receive notification from Caremark if Prior Authorization is denied.

The following drug categories may be subject to Prior Authorization:

Acne Therapy Retin-A (Over the age of 33)
Amphetamines (Adderall, Desoxyn)
Fertility Drugs (Clomid) Note: These drugs are covered for indications other than infertility.

Point of Sale Utilization Review

The following drug categories are subject to review through Caremark's automated "Point of Sale" utilization review program. The dispensing pharmacist may receive a message that "Plan Limits Exceeded" or "Prior Authorization Required" depending on the drug category. Drug categories with an (*) are subject to a quantity limitation that may differ from the 30-day supply. Drug categories with an (**) are subject to a 90-day coverage limitation each calendar year.

COX-2 Inhibitor Therapy (Celebrex, Vioxx)
Erectile Dysfunction Therapy*
Onychomychosis (Lamisil, Sporanox)
Paget's Disease Management* (Actonel, Skelid)
Pain Management (Stadol NS)
Vaginitis Management* (Diflucan 150mg)
Anti-Influenza Therapy (Tamiflu, Relenza)
NSAID Therapy (Toradol)
Smoking Cessation – prescription drugs only** (Zyban)

PRESCRIPTION DRUG COVERAGE MANAGEMENT PROGRAMS

Pharmaceutical Therapy Management

In certain situations, Caremark's clinical staff collaborates with your physician(s) by providing consultative review and advice so that medications are used in the most medically appropriate and cost-effective manner. This consultation is provided to ensure that appropriate and safe medication prescribing practices are being followed and that medications are prescribed in accordance with FDA approved manufacturer labeling, nationally accepted treatment guidelines and medical practice standards. This consultation could result in a change in the drug prescribed, the dosage prescribed, or the duration of therapy. Your prescription will not be changed unless your prescribing physician or your prescribing physician's agent determines that a change is medically appropriate.

In addition, Caremark will collaborate with your physician to encourage the most cost effective and clinically appropriate medications by considering the following step-therapy management:

1. Over-the-counter (OTC) brand medications
2. Prescription strength generic equivalents
3. Preferred brand-name drugs, when appropriate

If your physician prescribes an OTC medication, you will not require a prescription. However, the cost of the medication will be at your expense as these medications are not covered by the Plan.

If a change is made to your prescription drug therapy, you will receive notice of such change with your prescription order. If you have any questions regarding a change to your pharmaceutical therapy, contact your prescribing physician or Caremark's Member Services at 1-866-999-7377.

Specialty Pharmacy Services

Caremark's Specialty Pharmacy Services Program offers convenient access and delivery of specialty injectable medications as well as personalized service and educational support. A Caremark Pharmacy Services specialist will be your primary contact for ongoing delivery needs, questions, and support.

To obtain injectable medications for the following therapies, you or your physician should call 1-800-237-2767. Caremark's Specialty Pharmacy Services offers 24-hour access to information, personal service and clinical consultation.

Asthma (Xolair)
Bleeding Disorders (Hemophil M, Helixate)
Blood Modifying Agents (Epogen, Procrit)
Cancer Treatment/Chemotherapeutic agents (Gleevec)
Enzyme Deficiency (Ceredase, Cerezyme)
Growth Hormones (Genotropin, Nutropin, Protropin)
Hepatitis C (Peg-Intron, Rebetol)
Immune Deficiency (Gammagard, Gamimmune)
Multiple Sclerosis (Betaseron, Copaxone, Rebif)
Myeloid Stimulants (Leukine, Neupogen)
Psoriasis (Reptiva)
Pulmonary Hypertension (Tracleer)
Respiratory Agents (Pulmozyme)
Rheumatoid Arthritis (Enbrel)
Transplant Therapies (Simulect, Zenapax)

The above drug therapies are subject to change, and the drugs listed are examples only. Please contact Caremark Specialty Pharmacy Services at 1-800-237-2767 for specific coverage information.

OUTPATIENT PRESCRIPTION DRUG EXCLUSIONS

The following are excluded under the Outpatient Prescription Drug Program:

1. Drugs or medicines obtainable without a physician's prescription, often called over-the-counter (OTC) drugs, except insulin and glucose test strips.
2. Contraceptives in the form of condoms, jellies, ointments, foams, or devices (except diaphragms). Intra-uterine devices (IUDs) and time-released subdermal drugs (e.g., Norplant implants) are excluded.
3. Dietary and herbal supplements, minerals, health aids, and any vitamins whether available over the counter or by prescription, except prescriptions for vitamin D.
4. Anorexiants and appetite suppressants or any other anti-obesity drugs.
5. Anti-dandruff preparations.
6. Laxatives, except as prescribed for diagnostic testing.
7. Supplemental fluorides.
8. Charges for the purchase of blood or blood plasma.
9. Hypodermic needles and syringes, except as required for the administration of a covered drug.
10. Non-medical therapeutic devices, durable medical equipment, appliances and supplies, including support garments, even if prescribed by a physician, regardless of their intended use. *
11. Drugs which are primarily used for cosmetic purposes rather than for physical function or control of organic disease.
12. Drugs labeled "Caution – Limited By Federal Law to Investigational Use" or non-FDA approved Investigational Drugs. Any drug or medication prescribed for experimental indications.
13. Any drugs prescribed solely for the treatment of an illness, injury or condition that is excluded under the Plan.
14. Any drugs or medications which are not **legally** available for sale within the continental United States. Drugs obtained outside of the United States, unless such drugs would be covered under this section if obtained within the United States.
15. Any charges for injectable immunization agents, desensitization products or allergy serum, or biological sera, including the administration thereof. *
16. Professional charges for the administration of prescription drugs or injectable insulin. *
17. Drugs or medicines, in whole or in part, to be taken by, or administered to, a Plan Member while confined in a hospital or skilled nursing facility, rest home, sanatorium, convalescent hospital or similar facility. *
18. Drugs and medications dispensed or administered in an outpatient setting, including, but not limited to, outpatient hospital facilities, and services in the Member's home provided by Home Health Agencies and Home Infusion Therapy Providers. *
19. Medication for which the cost is recoverable under any workers' compensation or occupational disease law, or any state or governmental agency, or any other third-party payer; or medication furnished by any other drug or medical services for which no charge is made to the Plan Member.
20. Any quantity of dispensed medications which exceeds a 30-day supply, unless prescribed for chronic conditions and obtained through the Mail Service Prescription Drug Program. Mail service prescriptions are limited to a ninety (90) day supply of covered medications as prescribed by a physician.
21. Refills of any prescription in excess of the number of refills specified by a physician.
22. Any medication dispensed more than one (1) year following the date of the physician's prescription order.

OUTPATIENT PRESCRIPTION DRUG EXCLUSIONS

23. Any charges for special handling and/or shipping costs incurred through a Participating Pharmacy, a non-Participating Pharmacy, or the mail service pharmacy.

24. Any quantity of dispensed medications that is deemed inappropriate as determined through Caremark's coverage management programs.

NOTE: Items marked by an asterisk (*) are covered as stated under Medical and Hospital Benefits, Description of Benefits.

Services Covered By Other Benefits

When the expense incurred for a service or supply is covered under another benefit section of the Plan, it is not a Covered Expense under the Outpatient Prescription Drug Program benefit.

BENEFIT LIMITATIONS, EXCEPTIONS AND EXCLUSIONS

No one has the right to receive any benefits of this Plan following termination of coverage, except as specifically provided under the Benefits After Termination or Continuation of Group Coverage provisions in this booklet.

Administrative remedies for requests for exemption from benefit limitations, exceptions or exclusions are available only under the following circumstances: If a service or procedure has been denied for the reason that it is not a covered benefit of the Plan, or that it is a limitation, exception or exclusion of the Plan, the Member must demonstrate that the limitation, exception or exclusion is prohibited by law and establish that the service or procedure is medically necessary according to Blue Cross Medical Policy.

Benefits are subject to review for medical necessity before, during and/or after services have been rendered. Refer to page 15 for the Medical Necessity provision and to pages 44 through 47 for utilization review standards and procedures.

The title of each exclusion is not intended to be fully descriptive of the exclusion; rather, it is provided solely to assist the Plan Member to easily locate particular items of interest or concern. Remember, a particular condition may be affected by more than one exclusion.

Under no circumstances will the Plan be liable for payment of costs incurred by a Plan Member or dependent for treatment deemed by CalPERS or its Plan administrators to be experimental or investigational or otherwise not eligible for coverage.

General Exclusions

Benefits of this Plan are not provided for, or in connection with*, the following:

1. **Aids and Environmental Enhancements**

   a. The rental or purchase of aids, including, but not limited to, ramps, elevators, stairlifts, swimming pools, spas, hot tubs, air filtering systems or car hand controls, whether or not their use or installation is for purposes of providing therapy or easy access.

   b. Any modification made to dwellings, property or motor vehicles, whether or not their use or installation is for purposes of providing therapy or easy access.

2. **Benefit Substitution/Flex Benefit/In Lieu Of.** Any program, treatment, service, or benefit cannot be substituted for another benefit or non-existing benefit. For example, a Member may not receive home health care benefits in lieu of an admission to a skilled nursing facility**.**

3. **Blood and Blood Products**. Charges incurred for the purchase of blood or blood products when the blood has been replaced.

4. **Botulinum Toxins (all forms) Injections, "Botox", Collagen, or filling material**. Benefits are not payable for any services or supplies for any injections of botulinum toxin, collagen or filling material to primarily improve the appearance (including appearance altered by disease, trauma, or aging) e.g., to remove acne scarring, fine wrinkling, etc. This exclusion will not apply to botulinum toxin injection procedures that comply with Blue Cross Medical Policy and are medically necessary for an indication approved by the FDA.

5. **Clinical Trials.** Services and supplies in connection with clinical trials are not covered except as specifically provided in the Cancer Clinical Trials benefit description on pages 27 and 28.

6. **Close-Relative Services**. Charges for services performed by a close relative or by a person who ordinarily resides in the Plan Member's home.

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* **The phrase "in connection with" means any medical condition associated with an excluded medical condition** (i.e., an integral part of the excluded medical condition or derived from it).

7. **Convenience Items and Non-Standard Services and Supplies**. Services and supplies determined by the Plan as not medically necessary or not generally furnished for the diagnosis or treatment of the particular illness, disease or injury; or services and supplies which are furnished primarily for the convenience of the Plan Member, irrespective of whether or not prescribed by a physician.

8. **Cosmetic**. Any surgery, service, drug or supply primarily to improve the appearance (including appearance altered by disease, trauma, or aging) of parts or tissues of an individual. This exclusion does not apply to reconstructive surgery to restore a bodily function or to correct deformities resulting from documented injury or disease or caused by congenital anomalies, or surgery which is medically necessary following documented injury or disease to restore function.

9. **Custodial Care**

   a. Custodial care provided either in the home or in a facility, unless provided under the Hospice Care Benefit.

   b. Services provided by a rest home, a home for the aged, a custodial nursing home, or any similar facility.

10. **Dental Implants**. Dental implants and any related services.

11. **Dental Services, General**. Dental services, as determined by the Plan, include, but are not limited to, services customarily provided by dentists in connection with the care, treatment, filling, removal, or replacement of teeth; treatment of gums (other than for tumors); treatment of dental abscess or granuloma; dentures; and preparation of the mouth for dentures (e.g., vestibuloplasty). Services related to bone loss from denture wear or structures directly supporting the teeth are excluded.

    Also excluded are dental services in connection with prosthodontics (dental prosthetics, denture prosthetics designed for the replacement of teeth or the correction, alteration or repositioning of the occlusion), orthodontia (dental services to correct irregularities or malocclusion Classes I through IV of the teeth) for any reason, orthodontic appliances (except for acrylic splint as covered under the Temporomandibular Disorder [TMD] benefit), braces, bridges (fixed or removable), dental plates, pedodontics (treatment of conditions of the teeth and mouth in children) or periodontics, and dental implants (endosteal, subperiosteal or transosteal).

    Dental services or supplies as a result of an accidental injury, including dental surgery and dental implants, are not covered.

    Acute care hospitalization and general anesthesia services are covered in connection with dental procedures when hospitalization is required because of the individual's underlying medical condition and clinical status. This applies if (1) the Member is less than seven years old, (2) the Member is developmentally disabled, or (3) the Member's health is compromised and general anesthesia is medically necessary. Services of a dentist or oral surgeon are excluded.

12. **Dermabrasion**. Any surgical procedure, abrasion, chemical peel, aerosol sprays, slushes, wire brushes, sandpaper, or laser surgery for the removal of the top layers of skin, that is furnished primarily to improve the appearance (including appearance altered by disease, trauma or aging) of parts or tissues of an individual (e.g., to remove acne scarring, fine wrinkling, rhytids, keratosis, pigmentation, and tattoos).

13. **Durable Medical Equipment**. Appliances, devices, and equipment not covered by the Plan include, but are not limited to: speech devices; dental braces and other orthodontic appliances; all orthopedic shoes (except when joined to braces) or shoe inserts (orthotics), with the exception of one pair custom molded and cast shoe inserts per calendar year, regardless of the diagnosis or medical condition; items for environmental control such as air conditioners, humidifiers, dehumidifiers or air purifiers; exercise or special sports equipment; any equipment which is not manufactured specifically for medical use; and items for comfort, hygiene or beautification, including any form of hair replacement, except one scalp hair prosthetic per calendar year as provided in the Durable Medical Equipment benefit description on page 30. Prosthetic and durable medical equipment replacement and repair resulting from loss, misuse, abuse and/or accidental damage are not covered.

14. **Excess Charges**. Any expense incurred for covered services in excess of Plan benefits or maximums.

BENEFIT LIMITATIONS, EXCEPTIONS AND EXCLUSIONS

15. **Experimental or Investigational Practices or Procedures**. Experimental or investigational practices or procedures, and services in connection with such practices or procedures, as defined on page 88.

16. **Eye Examinations**. Eye refraction or other examinations in preparation for eyeglasses or contact lenses; vision therapy; orthoptics; eyeglass or contact lens prescriptions, unless following cataract surgery, or, if necessary, for the repair or alleviation of accidental injury.

17. **Eye Surgery, Corrective**. Any procedure done solely or primarily to correct a refractive error, including, but not limited to, surgeries such as laser vision correction surgery (i.e., LASIK or PRK), radial keratotomy, optical keratoplasty, or myopic keratomileusis.

18. **Feet, Procedures Affecting**. Callus or corn paring or excision, or toenail trimming (regardless of the diagnosis or medical condition). Any manipulative procedure for weak or fallen arches, flat or pronated foot, or foot strain.

19. **Government-Provided Services**. Any services provided by a local, state, or federal government agency unless reimbursement by this Plan for such services is required by state or federal law.

20. **Hearing Conditions**

    a. Purchase of hearing aid batteries or other ancillary equipment, except those covered under the terms of the initial hearing aid purchase.

    b. Charges for a hearing aid which exceeds specifications prescribed for correction of hearing loss.

    c. Replacement parts for hearing aids or repair of hearing aids after the covered one-year warranty period.

    d. Replacement of a hearing aid more than once in any period of thirty-six (36) months.

    e. Surgically implanted hearing devices except medically necessary cochlear implants as specifically provided in the Durable Medical Equipment benefit description on page 30.

21. **Hospital Admission**. Inpatient charges in connection with a hospital stay primarily for diagnostic tests which could have been performed safely on an outpatient basis.

22. **Infertility, Diagnosis/Treatment**. Laboratory, X-ray procedures, medication or surgery solely for the purpose of diagnosing and/or treating infertility of a Plan Member, including, but not limited to, reversal of surgical sterilization, artificial insemination, in vitro fertilization, or complications of such procedures.

23. **Marriage and Family Counseling**. Counseling for the sole purpose of resolving conflicts between a subscriber and his or her spouse, domestic partner or children.

24. **Maternity**. Maternity benefits are not provided for services subsequent to termination of coverage under this Plan unless the patient qualifies for an extension of benefits as described under Benefits After Termination on pages 71 and 72, or qualifies under the provisions described under Consolidated Omnibus Budget Reconciliation Act (COBRA) beginning on page 68, or CalCOBRA Continuation of Group Coverage beginning on page 70. See Emergency Care Services on pages 30 and 31 for benefit coverage of emergency maternity admissions.

25. **Medical Trainee Services**. Services performed in any inpatient or outpatient setting by house officers, residents, interns and others in training.

26. **Natural Childbirth Classes**. Natural childbirth classes will be reimbursed only when given by certified ASPO/Lamaze childbirth educators. Classes devoted solely to individual perinatal specialties, other than Lamaze, are not covered.

27. **Nicotine Addiction**. Any programs, services, or devices related to the treatment of nicotine addiction, except as specifically provided in the Smoking Cessation Program benefit description on pages 38 and 39.

28. **Non-Listed Benefits**. Services not specifically listed as benefits or not reasonably medically linked to or connected with listed benefits, whether or not prescribed by a physician.

29. **Nutrition**. Vitamins, minerals, and nutritional supplements whether or not prescribed by a physician; nutritional counseling or food supplements taken orally, except as specifically provided under the Diabetes Self-Management Education Program provision or the Outpatient Prescription Drug Program section.

30. **Organ Transplants**. Charges incident to organ transplants, except as specifically provided under Kidney, Cornea, and Skin Transplants or Special Transplant Benefits.

31. **Personal Development Programs**. For or incident to vocational, educational, recreational, art, dance, music, reading therapy, or exercise programs (formal or informal).

32. **Private-Duty Nursing**

a. Private-duty skilled nursing, unless provided under the Home Health Care or Hospice Care benefits.

b. Private-duty unskilled nursing.

33. **Psychiatric or Psychological Care**

a. Unless the treatment is for a severe mental illness (defined on page 93) or serious emotional disturbances of a child (defined on page 93), psychiatric or psychological care for the treatment of the following conditions is excluded under this Plan:

   1. personality disorders;
   2. sexual deviations and disorders;
   3. abuse of drugs, except as provided in the Substance Abuse benefit description on page 39;
   4. conduct disorders;
   5. mental retardation and developmental delays;
   6. conditions of abnormal behavior which are not directly attributed to a mental disorder which is the focus of attention or treatment;
   7. attention deficit disorders.

b. Telephone consultations.
c. Psychological testing or testing for intelligence or learning disabilities unless medically necessary to assess brain function suspected to be impaired due to trauma, organic dysfunction, a severe mental illness, or serious emotional disturbances of a child.
d. Inpatient treatment for eating disorders is excluded under this Plan, unless the inpatient stay is necessary for the treatment of anorexia or bulimia.
e. Services on court order or as a condition of parole or probation unless the services are determined to be medically necessary and appropriate for the condition being treated and otherwise covered by the Plan.
f. Marriage and family counseling for the sole purpose of resolving conflicts between a subscriber and his or her spouse, or domestic partner or children.
g. Non-therapeutic treatment, custodial care and educational programs.

NOTE: Any dispute regarding a psychiatric condition will be resolved with reference to the American Psychiatric Association: Diagnostic and Statistical Manual of Mental Disorders (DSM-IV), Fourth Edition. Washington, DC, American Psychiatric Association, 1994. Use of DSM-IV to resolve disputes is subject to change as new editions are published.

34. **Rehabilitation or Rehabilitative Care**

a. Inpatient charges in connection with a hospital stay primarily for environmental change, or treatment of chronic pain unless provided under the Hospice Benefit.

b. Inpatient charges in connection with rehabilitation services or programs for mental health and substance abuse treatment, and eating disorders, unless charges are for the treatment of a severe mental illness or serious emotional disturbances of a child.

c. Outpatient charges in connection with conditioning exercise programs (formal or informal).

d. Any testing, training or rehabilitation for educational, developmental or vocational purposes.

35. **Reports or Forms**. Benefits are not payable for billed preparation of reports or forms of patient's status, history, treatment, or progress notes for physicians, agencies, insurance carriers, or others, even if completion of a report is mandatory for regulatory requirement or medication monitoring.

36. **Residential Treatment Facility**. Charges associated with an inpatient stay at a residential treatment facility (defined on page 93), transitional living center, or board and care facility. This exclusion does not apply to precertified outpatient day or evening services as provided in the Mental Health Benefits description on pages 34 and 35 and Substance Abuse benefit description on page 39. A Plan Member or Plan Member's family is not covered for any overnight stay(s) at a residential treatment facility when obtaining precertified outpatient day or evening services for covered Mental Health Benefits or Substance Abuse benefits.

37. **Sexual Transformations**. Charges for or incident to intersex surgery (transsexual operations) or any resulting medical complications.

38. **Speech Therapy**. Charges for speech therapy due to functional nervous disorders are not covered unless charges are for the treatment of a severe mental illness or a serious emotional disturbance of a child. No benefits are provided for:

a. the correction of stammering, stuttering, lisping, tongue thrust;

b. the correction of speech impediments caused by functional nervous disorders;

c. the correction of developmental speech delays;

d. functional maintenance using routine, repetitious, and/or reinforced procedures that are neither diagnostic nor therapeutic (e.g., practicing word drills for developmental articulation errors);

e. procedures that may be carried out effectively by the patient, family, or caregivers (e.g., maintenance therapy);

f. inpatient charges in connection with a hospital stay solely for the purpose of receiving speech therapy.

Outpatient speech therapy, speech correction or speech pathology services are not covered except as provided in the Speech Therapy benefit description on pages 35 and 36.

39. **Telephone, Facsimile Machine, and E-mail Consultations**. Telephone, facsimile machine, and electronic mail consultations for any purpose, whether between the physician or other health care provider and the Plan Member or Plan Member's family, or involving only physicians or other health care providers. This exclusion does not apply to telemedicine services specified as covered under the Telemedicine Program benefit description on page 40.

40. **Totally Disabling Conditions.** Services or supplies for the treatment of a total disability, if benefits are provided under the extension of benefits provisions of (a) any group or blanket disability insurance policy, or (b) any health care service plan contract, or (c) any hospital service plan contract, or (d) any self-insured welfare benefit plan.

41. **Treatment Plan**. Benefits are not payable for a written or oral treatment plan submitted or given for the purpose of claim or medical necessity review. Services or a plan of treatment preauthorized by the Plan during a contract period must be commenced during the same contract period. To qualify for continuing treatment in a subsequent contract period, the services or plan of treatment must be reauthorized. Otherwise, only the benefits in effect during a contract period are available or covered.

42. **Vasectomy or Tubal Ligation**. Services for or incident to the reversal of a vasectomy or tubal ligation, or for repeat vasectomy or tubal ligation.

43. **Voluntary Payment of Non-Obligated Charges**. Services for which the Plan Member is not legally obligated to pay, or services for which no charge is made to the Plan Member in the absence of health plan coverage, except services received at a non-governmental charitable research hospital. Such a hospital must meet the following guidelines:

a. It must be internationally known as being devoted mainly to medical research, and

b. At least ten percent (10%) of its yearly budget must be spent on research not directly related to patient care, and

c. At least one-third of its gross income must come from donations or grants other than gifts or payments for patient care, and

d. It must accept patients who are unable to pay, and

e. Two-thirds of its patients must have conditions directly related to the hospital's research.

44. **War**. Conditions caused by war, whether declared or undeclared.

45. **Weight Control**. Any program, treatment, service, supply, or surgery for dietary control, weight control, or complications arising from weight control, or obesity, whether or not prescribed or recommended by a physician, including, but not limited to:

a. exercise programs (formal or informal) and equipment;

b. surgeries, such as:

1. gastric bubble, gastric stapling, or liposuction,
2. jejunoileal bypass,
3. biliopancreatic bypass,
4. gastric banding,
5. lap band,
6. duodenal switch,
7. long limb gastric bypass,
8. bariatric surgery in adolescents,
9. mini gastric bypass.

This exclusion will not apply to medically necessary surgical treatment of adult morbid obesity as specifically provided in the Bariatric Surgery benefit description on pages 26 and 27.

46. **Workers' Compensation, Services Covered By**. Services incident to any injury or disease arising out of, or in the course of, any employment for salary, wage or profit if such injury or disease is covered by any workers' compensation law, occupational disease law or similar legislation. However, if the Plan provides payment for such services, it shall be entitled to establish a lien upon such other benefits up to the amount paid by the Plan for the treatment of the injury or disease.

Limitation Due to Major Disaster or Epidemic

In the event of any major disaster or epidemic, Preferred Providers shall render or attempt to arrange for the provision of covered services insofar as practical, according to their best judgment, within the limitations of such facilities and personnel as are then available; but neither the Plan, Blue Cross, nor Preferred Providers have any liability or obligation for delay or failure to provide any such services due to lack of available facilities or personnel if such lack is the result of such disaster or epidemic.

BLUE CROSS OF CALIFORNIA

Blue Cross of California works with an extensive network of "Preferred Providers" throughout California. These providers participate in our preferred provider organization program (PPO), called the Prudent Buyer Plan. They have agreed to accept payment amounts set by Blue Cross for their services. These "Allowable Amounts" are usually lower than what other physicians and hospitals charge for their services, so your portion of the charges, or your copayment, will also be lower.

The Plan's Preferred Provider Network also includes BlueCard Program participating providers for Members who live or are traveling outside California. The Blue Cross and Blue Shield Association, of which Blue Cross of California is a member/Independent Licensee, administers a program (called the "BlueCard Program") which allows our Members to have the reciprocal use of participating providers contracted under other states' Blue Cross and/or Blue Shield Plans. BlueCard Program participating providers are located throughout the United States. Preferred Providers (BlueCard Program participating providers) have agreed to accept Allowable Amounts set by their local Blue Cross and/or Blue Shield Plan as payment for covered services. See pages 11 and 12 for a further description of how the BlueCard Program works.

When you need health care, simply present your PERS Choice ID card to your physician, hospital, or other licensed health care provider. Choosing Preferred Providers for your health care allows you to take advantage of the highest level of reimbursement. Prior to receiving services you should verify that the provider is a Preferred Provider, in case there have been any changes since your Preferred Provider directory was published.

Preferred Providers have agreed to accept Blue Cross of California's payment, plus applicable deductibles and copayments, as payment in full for covered services. When you receive covered services from a Preferred Provider, the provider will be paid directly. This means you have no further financial responsibility, except for any deductibles or copayments that may apply, and therefore no claim forms to file.

If you go to a non-Preferred Provider, payment for services may be substantially less than the amount billed. In addition to your deductible and copayment, you are responsible for any difference between the Allowable Amount and the amount billed by the non-Preferred Provider.

Claims Submission

You will be reimbursed directly by Blue Cross of California for covered services rendered by a non-Preferred Provider. Also, non-Preferred Providers and other providers of service may be paid directly when you assign benefits in writing. Hospital charges are generally paid directly to the hospital.

You must submit requests for payment within fifteen (15) months from the date services were provided or payment will be denied.

Each claim submission must contain the following:

- Subscriber's name
- Subscriber ID / Member number
- Group number
- Patient's name
- Patient's date of birth
- Patient's date of injury/illness or onset of illness or pregnancy
- Date(s) of service
- Diagnosis
- Type(s) of service
- Provider's name & tax ID number
- Amount charged for each service
- Patient's other insurance information
- For Members with Medicare -- the Medicare ID number & the Medicare effective date

In addition, a copy of the provider's billing (showing the services rendered, dates of treatment, patient's name, relationship to the Plan Member, and provider's signature or ID number) must be included. Your PERS Choice ID card has your Member and group numbers on it.

See the first page of this booklet for information on obtaining and submitting claim forms.

LIABILITIES

Third-Party Liability

If a Plan Member receives medical services covered by PERS Choice for injuries caused by the act or omission of another person (a "third party"), the Plan Member agrees to:

1. promptly assign his or her rights to reimbursement from any source for the costs of such covered services; and
2. reimburse PERS Choice, to the extent of benefits provided, immediately upon collection of damages by him or her for such injury from any source, including any applicable automobile uninsured or underinsured motorist coverage, whether by action of law, settlement, or otherwise; and
3. provide PERS Choice with a lien, to the extent of benefits provided by PERS Choice, upon the Member's claim against or because of the third party. The lien may be filed with the third party, the third party's agent, the insurance company, or the court; and
4. the release of all information, medical or otherwise, which may be relevant to the identification of and collection from parties responsible for the Member's illness or injury; and
5. notify Blue Cross of any claim filed against a third party for recovery of the cost of medical services obtained for injuries caused by the third party; and
6. cooperate with CalPERS and Blue Cross in protecting the lien rights of PERS Choice against any recovery from the third party; and
7. obtain written consent from CalPERS prior to settling any claim with the third party that would release the third party from the lien or limit the rights of PERS Choice to recovery.

Pursuant to Government Code section 22947, a PERS Choice Member (or his/her attorney) must immediately notify the Plan, via certified mail, of the existence of any claim or action against a third party for injuries allegedly caused by the third party. Notices of third party claims and actions must be sent to:

PERS Choice Health Plan
Blue Cross of California
P.O. Box 60007
Los Angeles, CA 90060-0007

PERS Choice has the right to assert a lien for costs of health benefits paid on behalf of a plan Member against any settlement with, or arbitration award or judgment against, a third party. PERS Choice will be entitled to collect on its lien even if the amount you or anyone recovered for you (or your estate, parent or legal guardian) from or for the account of such third party as compensation for the injury, illness or condition is less than the actual loss you suffered.

Plan Member Liability When Payment is Made by PERS Choice

When covered services have been rendered by a Preferred Provider or Participating Pharmacy and payment has been made by PERS Choice, the Plan Member is responsible only for any applicable deductible and/or copayment. However, if covered services are rendered by a non-Preferred Provider or a non-Participating Pharmacy, the Member is responsible for any amount PERS Choice does not pay.

When a benefit specifies a maximum payment and the Plan's maximum has been paid, the Plan Member is responsible for any charges above the benefit maximum, regardless of the provider's status who renders the services.

In the Event of Insolvency

If PERS Choice should become insolvent and no payment, or partial payment, is made for covered services, the Plan Member is responsible for any charges incurred, regardless of the provider's status who renders the services. Providers may bill the Plan Member directly, and the Member will have no recourse against the California Public Employees' Retirement System, its officers, or employees for reimbursement of his or her expenses.

LIABILITIES

Plan Liability for Provider Services

In no instance shall PERS Choice, Blue Cross of California, or the contracted Blue Cross and/or Blue Shield Plan be liable for negligence, wrongful acts or omissions of any person, physician, hospital or hospital employee providing services.

Maintenance of Preferred Provider Reimbursement Levels

If a Preferred Provider breaches or terminates its contract with Blue Cross of California or a Blue Cross and/or Blue Shield Plan for Preferred Provider services, PERS Choice may, based upon medical necessity, approve continuation of care at the Preferred Provider level of reimbursement. Upon PERS Choice's approval, reimbursement shall be made at the Preferred Provider level of reimbursement and the balance will be the obligation of the Plan Member.

In the event that a Preferred Provider is unwilling or unable to provide continuing care to a Plan Member, then it shall be the responsibility of the Member to choose an alternative provider and to determine the Preferred Provider status of that provider.

GENERAL PROVISIONS

Eligibility

If you encounter any problems with eligibility, you should contact your employing agency's Health Benefits Officer (active) or the CalPERS Office of Employer and Member Health Services (retirees) to resolve the problem. Once the problem has been corrected, CalPERS will notify Blue Cross.

Possible problems that require HBO intervention include:

- No record of enrollment;
- Dispute with regard to the effective date of coverage and cancellation dates;
- Changes in family status (i.e., marriage, divorce, and newborn and adopted children).

Coordination of Benefits

(Not Applicable to the Outpatient Prescription Drug Program)

Coordination of Benefits provides maximum coverage for medical and hospital bills at the lowest cost by avoiding excessive payments. A Plan Member who is covered under more than one group plan will not be permitted to make a "profit" by collecting benefits on any claim in excess of the billed amount. Benefits will be coordinated between the plans to provide appropriate payment, not to exceed 100% of the Allowable Amount.

Blue Cross will send you a questionnaire annually regarding other health care coverage or Medicare coverage. ***You must provide this information to Blue Cross within 30 calendar days.*** If you do not respond to the questionnaire, claims will be denied or delayed until Blue Cross receives the information. You may provide the information to Blue Cross in writing or by telephoning Customer Service.

(The meanings of key terms used in these Coordination of Benefits provisions are shown on the next page under Definitions.)

Effect on Benefits

If this Plan is determined to be the primary carrier, this Plan will provide its benefits in accordance with the plan design and without reductions due to payments anticipated by a secondary carrier. Physician Members and other Preferred Providers may request payment from the secondary carrier for any difference between their Billed Charges and this Plan's payment.

If the other carrier has the primary responsibility for claims payment, your claim submission under this Plan must include a copy of the primary carrier's Explanation of Benefits together with the itemized bill from the provider of service. Your claim cannot be processed without this information. HMO plans often provide benefits in the form of health care services within specific provider networks and may not issue an Explanation of Benefits for covered services. If the primary carrier does not provide an Explanation of Benefits, you must submit that plan's official written statement of the reason for denial with your claim.

When this Plan is the secondary carrier, its benefits may be reduced so the combined benefit payments and services of all the plans do not exceed 100% of the Allowable Amount. The benefit payment by this Plan will never be more than the sum of the benefits that would have been paid if you were covered under this Plan only.

If this Plan is a secondary carrier with respect to a Plan Member and Blue Cross is notified that there is a dispute as to which plan is primary, or that the primary carrier has not paid within a reasonable period of time, this Plan will provide the benefits that would have been paid if it were the primary carrier, **only** when the Plan Member:

1. Assigns to this Plan the right to receive benefits from the other plan to the extent that this Plan would have been obligated to pay as secondary carrier, **and**

2. Agrees to cooperate fully in obtaining payment of benefits from the other plan, **and**

3. Allows Blue Cross to obtain confirmation from the other plan that the benefits claimed have not previously been paid.

Order of Benefits Determination

When the other plan does not have a Coordination of Benefits provision, it will always be the primary carrier. Otherwise, the following rules determine the order of benefit payments:

1. A plan which covers the Plan Member as other than a dependent shall be the primary carrier.

2. When a plan covers a dependent child whose parents are not separated or divorced and each parent has a group plan which covers the dependent child, the plan of the parent whose birthdate (excluding year of birth) occurs earlier in the calendar year shall be primary carrier. If either plan does not have the birthday rule provision of this paragraph regarding dependent children, primary carrier shall be determined by the plan that does not include this provision.

3. When a claim involves expenses for a dependent child whose parents are separated or divorced, plans covering the child as a dependent will determine their respective benefits in the following order:

    a. the plan of the parent with custody of the child;

    b. if the custodial parent has remarried, the plan of the stepparent married to the parent with custody of the child;

    c. the plan of the noncustodial parent of the child;

    d. if the noncustodial parent has remarried, the plan of the stepparent married to the parent without custody of the child.

4. Regardless of paragraph 3 above, if there is a court decree that otherwise establishes a parent's financial responsibility for the medical, dental or other health care expenses of the child, then the plan which covers the child as a dependent of that parent shall be the primary carrier.

5. If the above rules do not apply, the plan which has covered the Plan Member for the longer period of time shall be the primary carrier, except for:

    a. A plan covering a Plan Member as a laid-off or retired employee or the dependent of a laid-off or retired employee will determine its benefits after any other plan covering that person as other than a laid-off or retired employee or their dependent (This does not apply if either plan does not have a provision regarding laid-off or retired employees.); or

    b. Two plans that have the same effective date will split Allowable Expense equally between the two plans.

Definitions

Allowable Expense — A charge for services or supplies which is considered covered in whole or in part under at least one of the plans covering the Plan Member.

Explanation of Benefits — The statement sent to an insured by their health insurance company listing services provided, amount billed, eligible expenses and payment made by the health insurance company. HMO plans often provide health care services for members within specific provider networks and may not provide an Explanation of Benefits for covered services.

Other Plan — Any blanket or franchise insurance coverage, group service plan contracts, group practice or any other prepayment coverage on a group basis, any coverage under labor-management trusteed plans, union welfare plans, employer organization plans, employee benefit organization plans, or Medicare.

Primary Carrier — A plan which has primary responsibility for the provision of benefits according to the "Order of Benefit Determination" provisions above and will have its benefits determined first without regard to the possibility that another plan may cover some expenses.

Secondary Carrier — A plan which has secondary responsibility for the provision of benefits according to the "Order of Benefit Determination" provisions above and may reduce its benefit payments after the primary carrier's benefits are determined first.

Benefits for Medicare-Eligible Members

Note: The information provided below is based on federal laws and regulations. Therefore this information is subject to change based on changes in those laws and regulations or their interpretation by either the federal government or the courts.

Active Employees and Their Family Members. Except as noted below, an actively employed Subscriber who is eligible for Medicare and the spouse of such Subscriber will receive the full benefits of this Plan while the Subscriber remains actively employed.

This Plan will no longer be the primary payer for a Subscriber who is an active employee or a family member of an active employee who is entitled to Medicare because of permanent kidney failure, also known as "End-Stage Renal Disease", after 30 months has elapsed from the date that the Subscriber or family member would have been eligible for Medicare Part A on the basis of permanent kidney failure.

Note: If you are under age 65 and have been diagnosed with Lou Gehrig's Disease (ALS), you may be eligible for Medicare during the first month of your eligibility for Social Security Disability benefits. To check eligibility and obtain more information about disability benefits, look at www.ssa.gov on the Web, or call the Social Security Administration at 1-800-772-1213.

This Plan may be the primary payer for those Subscribers who are actively employed and their family members who (1) are under age 65 and (2) have Medicare coverage because of a disability.

Retirees and Their Spouses. If you are a retired Subscriber, or the spouse of a retired Subscriber, and are eligible for Medicare because you made the required number of quarterly contributions to the Social Security System, this Plan will be considered secondary to Medicare and payment will be determined according to the provisions outlined under "Coordination of Benefits" on pages 66 through 68.

Retired employees and their spouses are required to enroll in a supplement to original Medicare plan upon becoming eligible for Medicare Parts A and B. You must contact CalPERS no later than the date you first become eligible for Medicare. You will be provided with information regarding your enrollment into a supplement to original Medicare plan.

Continuation of Group Coverage

Eligibility for Continuation of Group Coverage under PERS Choice is dependant upon your employer's participation in the CalPERS Health Benefits Program. If an employer terminates participation in the CalPERS Health Benefits Program, employees currently enrolled in COBRA or CalCOBRA will have the option to convert to an individual plan (see Individual Conversion Plan on page 71) or may choose to continue coverage under COBRA or CalCOBRA with the group health plan providing health care coverage to the employer. A participant in COBRA or CalCOBRA may not continue coverage under PERS Choice if the employer ceases to participate in the CalPERS Health Benefits Program.

Consolidated Omnibus Budget Reconciliation Act (COBRA)

The Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation of group coverage is provided through federal legislation and allows an enrolled active or retired employee or his or her enrolled family members, other than a domestic partner or a child of a domestic partner, who lose their regular group coverage because of certain qualifying events to elect continuation of coverage for eighteen (18) or thirty-six (36) months.

An eligible active or retired employee or his or her family member(s) is entitled to elect this coverage provided an election is made within sixty (60) days of notification of eligibility and the required premium is paid. The benefits of the continuation of coverage are identical to the group Plan and the cost of coverage may not exceed one hundred and two percent (102%) of the applicable group premium rate, except for the employee who is eligible to continue group coverage to twenty-nine (29) months because of entitlement to Social Security disability benefits, in which case, the cost of coverage for months nineteen (19) through twenty-nine (29) shall not exceed one hundred and fifty percent (150%) of the applicable group premium rate. No employer contribution is available to cover the premium.

Qualifying Events

Two qualifying events allow employees to request the continuation of coverage for eighteen (18) months: (This coverage may be continued for up to twenty-nine (29) months for federally recognized disabled employees.)

1. the covered employee's separation from employment (other than by reason of gross misconduct);
2. reduction in the covered employee's hours to less than half-time (or a permanent intermittent employee not working the required hours during a control period).

The following qualifying events allow enrolled family member(s) to elect the continuation of coverage for up to thirty-six (36) months:

1. the employee's or retiree's death (and the surviving family member is not eligible for a monthly survivor allowance from CalPERS);
2. the divorce or legal separation of the covered employee or retiree from the employee's or retiree's spouse;
3. the retiree's entitlement to benefits under Medicare;
4. a dependent child ceases to be a dependent child due to marriage or attainment of age twenty-three (23).

Effective Date of the Continuation of Coverage

If elected, COBRA continuation of coverage is effective on the date coverage under the group Plan terminates.

Termination of Continuation of Group Coverage

The continuation of coverage will remain in effect for the specified period of time, or until any one of the following events terminates the coverage:

1. termination of all employer-provided group health plans; or
2. the enrollee fails to pay the required premiums on a timely basis; or
3. the enrollee first becomes covered under another group health plan that does not include a pre-existing condition exclusion or limitation after electing COBRA; or
4. the enrollee first becomes entitled to Medicare benefits after electing COBRA; or
5. the continuation of coverage was extended to twenty-nine (29) months and there has been a final determination that the enrollee is no longer disabled; or
6. the Plan Member is terminated from the Plan for cause.

Notification of a Qualifying Event

You will receive notice from your employer of your eligibility for COBRA continuation of coverage if your employment is terminated or your number of work hours is reduced.

The employee, retiree, or affected family member is responsible for requesting information about COBRA continuation of coverage in the event of divorce, legal separation or a dependent child's loss of eligibility.

Contact your employing agency or CalPERS directly if you need more information about your eligibility for COBRA continuation of coverage.

CalCOBRA Continuation of Group Coverage

Certain former employees and their enrolled family members who begin receiving continuation coverage under federal COBRA on or after January 1, 2003, and exhaust their continuation coverage under federal COBRA provisions may be eligible to further continue coverage for medical benefits only under the California COBRA Program (CalCOBRA).

Qualifying Events

Employees and their family members can elect to continue coverage for up to the balance of thirty-six (36) months (COBRA and CalCOBRA combined) if their federal COBRA continuation ends following:

1. 18 months after the employee's separation from employment or reduction in work hours; or
2. 29 months after the employee's separation from employment or reduction in work hours, if the continuation was extended because of entitlement to Social Security disability benefits.

Notification Requirements

You will receive notice of your right to further elect coverage under CalCOBRA from Blue Cross within 180 days prior to the date federal COBRA ends. To elect CalCOBRA coverage, you must notify Blue Cross in writing within 60 days of the date your coverage under federal COBRA ends or the date of notification of eligibility, if later.

Effective Date of CalCOBRA Continuation of Coverage

If elected, this continuation will begin after the federal COBRA coverage ends and will be administered under the same terms and conditions as if COBRA had remained in force.

Premiums

Premiums for this continuation coverage may not exceed:

1. one hundred and ten percent (110%) of the applicable group premium rate if coverage under federal COBRA ended after 18 months; or
2. one hundred and fifty percent (150%) of the applicable group premium rate if coverage under federal COBRA ended after 29 months.

The first payment is due along with the enrollment form within 45 days after electing CalCOBRA continuation coverage. This payment must be sent to Blue Cross at P.O. Box 629, Woodland Hills, CA 91365-0629 by certified mail or other reliable means of delivery, in an amount sufficient to pay any required premiums and premiums due. Failure to submit the correct amount within this 45-day period will disqualify the former employee or family member from receiving continuation coverage under CalCOBRA. Succeeding premiums are due on the first day of each following month.

The amounts of premiums may be changed by Blue Cross as of any premiums due date. Blue Cross will provide enrollees with written notice at least 30 days prior to the date any increase in premiums goes into effect.

Termination of CalCOBRA Continuation of Coverage

This CalCOBRA continuation of coverage will remain in effect for the specified period of time, or until any one of the following events automatically terminates the coverage:

1. the employer ceases to maintain any group health plan; or
2. the enrollee fails to pay the required premiums on a timely basis; or
3. the enrollee becomes covered under any other health plan that does not include an exclusion or limitation relating to a pre-existing condition that the enrollee has; or
4. the enrollee becomes entitled to Medicare; or
5. the enrollee becomes covered under a federal COBRA continuation; or

6. the enrollee moves out of Blue Cross' service area; or

7. the enrollee commits fraud.

A Plan Member whose continuation of group coverage is terminated or expires under the group continuation plan may be eligible to enroll in an individual conversion plan (see page 71).

Individual Conversion Plan

The Individual Conversion Plan will be available to a Plan Member whose continuation of group coverage is terminated or expires under the group continuation plan.

Continued Protection

Regardless of age, physical condition or employment status, you and your enrolled dependents may transfer to the Individual Conversion Plan then being issued by Blue Cross when enrollment is terminated, other than by voluntary cancellation or failure to continue enrollment or make contributions while in a non-pay status.

However, if this Plan is replaced by your employer with another plan, transfer to the Blue Cross conversion plan will not be permitted.

Applications for the conversion plan must be received by Blue Cross within sixty-three (63) days from the date coverage under PERS Choice is terminated.

To request an application, write to:

Blue Cross of California
P.O. Box 9153
Oxnard, CA 93031-9153

Benefits and rates of individual conversion plans will be different from those of this Plan.

An individual conversion plan is also available to:

- Family members, if the employee or annuitant dies;
- Children who marry or attain the age of twenty-three (23) while enrolled under PERS Choice;
- Family members of an employee who enters military service;
- The spouse of a subscriber whose marriage has been terminated; and
- The domestic partner of a subscriber whose domestic partnership has been terminated.

When a child reaches age twenty-three (23), or if a family member becomes ineligible for any other reason given above**, it is your responsibility to inform Blue Cross**. Upon receiving notification, Blue Cross will offer such family member an individual conversion plan.

Benefits After Termination

1. In the event the Plan is terminated by the Board or by PERS Choice, PERS Choice shall provide an extension of benefits for a Plan Member who is totally disabled at the time of such termination, subject to the following provisions:

   a. For the purpose of this benefit, a Plan Member is considered totally disabled when confined in a hospital or skilled nursing facility or confined pursuant to an alternative care arrangement when, as a result of accidental injury or disease, the Member is prevented from engaging in any occupation for compensation or profit or is prevented from performing substantially all regular and customary activities usual for a person of the Member's age and family status, or when diagnosed as totally disabled by the Member's physician and such diagnosis is accepted by PERS Choice.

b. The services and benefits under this Plan shall be furnished solely in connection with the condition causing such total disability and for no other condition not reasonably related to the condition causing the total disability, illness or injury. Services and benefits of this Plan shall be provided only when written certification of the total disability and the cause thereof has been furnished to Blue Cross by the Plan Member's physician within thirty (30) days from the date the coverage is terminated. Proof of continuation of the total disability must be furnished by the Member's physician not less frequently than at sixty (60) day intervals during the period that the termination services and benefits are available.

   Extension of coverage shall be provided for the shortest of the following periods:

   - Until total disability ceases;
   - For a maximum period of twelve (12) months after the date of termination, subject to PERS Choice maximums; or
   - Until the Plan Member's enrollment under any replacement hospital or medical plan without limitation to the disabling condition.

2. If on the date a Plan Member's coverage terminates for reasons other than termination of the Plan by the Board or by PERS Choice or voluntary cancellation, and the date of such termination of coverage occurs during the Member's certified confinement (in a hospital, skilled nursing facility or alternative care arrangement), the services and benefits of this Plan shall be furnished solely in connection with the conditions causing such confinement.

   Extension of coverage shall be provided for the shortest of the following periods:

   - For a maximum period of ninety-one (91) days after such termination; or
   - Until the Plan Member can be discharged from the hospital or skilled nursing facility as determined by PERS Choice; or
   - Until the Plan's maximum benefits are paid.

Prudent Buyer Plan Provider Reimbursement

Physicians and other professional providers are paid on a fee-for-service basis, according to an agreed schedule. A participating physician may, after notice from Blue Cross, be subject to a reduced negotiated amount in the event the participating physician fails to make routine referrals to Preferred Providers, except as otherwise allowed (such as for emergency services). Hospitals and other health care facilities may be paid either a fixed fee or on a discounted fee-for-service basis.

Continuity of Care

If Blue Cross of California (or a Blue Cross or Blue Shield Plan outside California) terminates its contractual relationship with a Preferred Provider and you are undergoing a course of treatment from that provider at the time the contract is terminated, you may be able to continue to receive services from that provider (but only if such provider agrees to continue to comply with the same contractual requirements that applied prior to termination).

To qualify, you must have an acute condition or a serious chronic condition, a high-risk pregnancy, or a pregnancy that has reached the second or third trimester.

In cases involving an acute condition or a serious chronic condition, the Plan shall furnish the enrollee with health care services on a timely and appropriate basis from the terminated provider for up to 90 days, or a longer period if necessary for a safe transfer to another provider as determined by the Plan in consultation with the terminated provider, consistent with good professional practice. Coverage is provided according to the terms and conditions of this Plan applicable to Preferred Providers.

In the case of pregnancy, the Plan shall furnish the enrollee with health care services on a timely and appropriate basis from the terminated provider until postpartum services related to the delivery are completed, or a longer period if necessary for a safe transfer to another provider as determined by the Plan in consultation with the terminated provider, consistent with good professional practice. Coverage is provided according to the terms and conditions of this Plan applicable to Preferred Providers.

You may request this continuity of care by calling the Customer Service telephone number printed on your ID card.

MEDICAL CLAIMS APPEAL PROCEDURE

The procedures outlined below are designed to ensure the Plan Member full and fair consideration of complaints submitted to the Plan. The procedures should be followed carefully and in the order listed.

Claims for payment must be submitted to Blue Cross within ninety (90) days after the date of the medical service, if reasonably possible, but in no event, except for the absence of legal capacity, may claims be submitted later than fifteen (15) months from the date of service or payment will be denied.

The following procedures shall be used to resolve any dispute which results from any act, error, or omission with respect to any medical claim filed by or on behalf of a Plan Member. (See Utilization Review Appeal Procedure on pages 76 through 78 for procedures used to resolve any dispute which results from a medical necessity determination by Blue Cross' Review Center.)

The cost of copying and mailing medical records required for Blue Cross to review its determination is the responsibility of the person or entity requesting the review.

1. **Notice of Claim Denial**

   In the event any claim for benefits is denied, in whole or in part, Blue Cross shall notify the Plan Member of such denial in writing. The notice shall contain specific reasons for such denial and an explanation of the Plan's review and appeal procedure.

2. **Objection to Claim Processing or Denial**

   An aggrieved Plan Member may object by writing to Blue Cross' Customer Service Department within sixty (60) days of the discovery of any act, error, or omission with regard to a properly submitted claim; or within sixty (60) days of receipt of a notice of claim denial. The objection must set forth all reasons in support of the proposition that an act, error, or omission occurred.

3. **Time Limits for Response to Objection**

   Blue Cross will acknowledge receipt of a complaint by written notice to the Member within twenty (20) days. Blue Cross will then either affirm or resolve the denial within thirty (30) days. If the case involves an imminent threat to the Member's health, including, but not limited to, the potential loss of life, limb, or major bodily function, review of the grievance will be expedited.

   If Blue Cross affirms the denial or fails to respond within thirty (30) days after receiving the request for review and the Member still objects to an act, error, or omission as stated above, the Member may proceed to item 4 below.

4. **Request for Reconsideration**

   If the Plan Member is not satisfied with the response to the initial inquiry, he or she may request reconsideration within sixty (60) days of receiving notice of Blue Cross' response. The request should be submitted in writing to the Customer Service Department. Any additional information that would affect the decision should be included. Blue Cross of California will acknowledge receipt of a reconsideration request by written notice to the Member within twenty (20) days. Blue Cross will then either affirm or resolve the denial within thirty (30) days.

5. **Request for Administrative Review**

   If the Plan Member is not satisfied with the response to the Request for Reconsideration, he or she may request a final administrative determination from CalPERS within thirty (30) days using the procedure set forth on pages 81 and 82.

MEDICAL CLAIMS APPEAL PROCEDURE

Objection to Denial of Experimental or Investigative Treatment

If services are denied because Blue Cross determines that they are experimental or investigational, an independent review may be requested. You may request an independent review of a coverage decision for services that have been denied as being experimental or investigational if: (1) you have a terminal condition; (2) your physician certifies that standard therapies have been ineffective or would be inappropriate; and (3) either your physician certifies in writing that the denied therapy is likely to be more beneficial than standard therapies, or you or your physician have requested a therapy that, based on documented medical and scientific evidence, is likely to be more beneficial than standard therapies. You will be notified of the opportunity to request this review when services are denied.

UTILIZATION REVIEW APPEAL PROCEDURE

Blue Cross' Review Center may render a determination on whether or not a particular medical service is medically necessary at any of the following three stages:

1. Before services are rendered (prospective utilization review — see pages 44 through 47 for Precertification and page 46 for Non-Emergency Admissions); or
2. During the rendering of services (concurrent utilization review); or
3. After services are rendered (retrospective utilization review).

If a Plan Member, treating provider, or facility disagrees with the Review Center's determination at any of these stages, they have the right to state that disagreement and request a re-review by the Review Center. The Review Center may refer certain prospective review determinations directly to CalPERS for its final administrative determination.

The cost of copying and mailing medical records required for the Review Center to review its determination is the responsibility of the person or entity requesting the review.

Prospective and Concurrent Utilization Review Decisions

The following procedures apply to reviews of determinations made prior to or during the time medical services are rendered:

Step 1: Reconsiderations

If the Review Center does not certify a requested medical service, the Plan Member, treating provider, or facility may request a reconsideration review by a Review Center physician advisor. This request must be made within thirty (30) days of receipt of the initial notification of non-certification. This request may be made orally by calling 1-800-451-6780 or by a written request sent to:

Blue Cross of California
P.O. Box 60007
Los Angeles, CA 90060-0007

New information, if available, should be submitted with a request for reconsideration. This may include:

- Additional test results or other diagnostic or qualitative information not provided with the initial request;
- Information regarding additional health concerns or other special circumstances which can impact or affect treatment decisions;
- Information about how proposed treatment impacts or affects functional capabilities or medical stability; or
- Information about changes in health status.

The review will be handled in the following manner:

- After reviewing all medical information received, the Review Center physician will discuss the proposed or ongoing treatment with the treating physician by telephone.
- The physician advisor will inform the treating physician whether the non-certification will be overturned or upheld.
- Written confirmation of the decision will be issued to the Member and provider(s) within one (1) business day following the date the decision is made.

Step 2: Appeals

If the Review Center's non-certification is upheld following reconsideration review, the Plan Member, treating provider, or facility may request a second level of review, or Appeal, by a different physician advisor.

The Appeal process will follow the same procedures as in Step 1 above.

The Member, treating provider, or facility must request an Appeal within thirty (30) days of receipt of the reconsideration determination. This request may be initiated orally but must be immediately followed by a written request sent to the above address.

New information, if available and not submitted at the time the reconsideration was requested, should be submitted with a request for Appeal.

All relevant new information, examples of which are provided in Step 1 above, must be received no later than sixty (60) days after the initiation of the Appeal to be considered by the Review Center.

Retrospective Utilization Review Decisions

The following procedures apply to reviews of determinations made after services have been rendered:

Step 1: Reconsiderations

If the Review Center has not approved a request for a medical service that has already been received, the Plan Member, treating provider, or facility may request a reconsideration review by a Review Center physician advisor. This request for review must be made within thirty (30) days after receiving the non-certification and submitted in writing to:

Blue Cross of California
P.O. Box 60007
Los Angeles, CA 90060-0007

New information, if available, should be submitted with a request for reconsideration. This may include:

- Additional test results or other diagnostic or qualitative information not provided with the initial request;
- Information regarding additional health concerns or other special circumstances which can impact or affect treatment decisions;
- Information about how the treatment impacts or affects functional capabilities or medical stability; or
- Information about changes in health status.

The review will be handled in the following manner:

- After reviewing all medical records received, a Review Center physician advisor will review the case and make a determination.
- Written confirmation of the decision will be issued to the Member and provider(s) within one (1) business day following the date the decision is made.

Step 2: Appeals

If the Review Center's non-certification is upheld following reconsideration review, the Plan Member, treating provider, or facility may request a second-level review, or Appeal, by a different physician advisor.

The Plan Member, treating provider, or facility may only request an Appeal within thirty (30) days of receipt of the reconsideration determination. This request must be submitted in writing to the same address as in Step 1 above.

New information, if available and not submitted at the time the reconsideration was requested, should be submitted with a request for Appeal.

All relevant new information, examples of which are provided in Step 1 above, must be received no later than sixty (60) days after the initiation of the Appeal to be considered by the Review Center.

The review will be handled in the following manner:

- A different Review Center physician advisor will review the medical records received, with any additional information that may be submitted, and make a determination.
- Written confirmation of the decision will be issued to the Member and provider(s) within thirty 30 days of receipt of any additional medical records that may be required.

Request for Administrative Review

Following a prospective, concurrent, or retrospective non-certification, if the Plan Member or the Plan Member's provider continues to contest the Review Center's determination after pursuing the matter through the Review Center's Appeal procedure, the Plan Member may request a final administrative determination from CalPERS within thirty (30) days using the procedure found on pages 81 and 82 of this booklet.

Objection to Denial of Experimental or Investigative Treatment

If services are denied because the Blue Cross Review Center determines that they are experimental or Investigational, an independent external review may be requested. You may request an independent review of a coverage decision for services that have been denied as being experimental or investigational if:

- You have a terminal condition;
- Your physician certifies that standard therapies have been ineffective or would be inappropriate; and
- Either your physician certifies in writing that the denied therapy is likely to be more beneficial than standard therapies, or you or your physician have requested a therapy that, based on documented medical and scientific evidence, is likely to be more beneficial than standard therapies.

You will be notified of the opportunity to request this review when services are denied.

PRESCRIPTION DRUG APPEAL PROCEDURE

1. Denial of a Drug Requiring Approval Through Coverage Management Programs

You may request an appeal within one-hundred eighty (180) days from the postmark date of Caremark's notice of Initial Benefit Denial. Appeals should be directed to:

Prescription Claim Appeals MC109
Caremark Inc.
P.O. Box 52084
Phoenix, AZ 85072-2084
Fax: 1-866-443-1172

If you are dissatisfied with the determination made by Caremark, you may request a final administrative review from CalPERS within thirty (30) days of receipt of your appeal denial letter by following the procedure set forth on pages 81 and 82.

2. Waiver of Non-Preferred Brand Copayment based on Medical Necessity

You may request a waiver of the Non-Preferred Brand copayment based on medical necessity through Caremark's formal appeals process by completing the following:

a. Obtain a letter from your physician that clearly identifies medical necessity for the non-preferred product vs. the preferred products or available generic alternatives.

   Important: In order to establish medical necessity, your physician must provide supporting documentation demonstrating that the preferred products and/or available generic alternatives are contraindicated or that you have tried them without clinical success.

b. Obtain any supporting medical records, test results, etc. to support your appeal.

c. Include the above with your written request for a waiver and submit to:

   Prescription Claim Appeals MC109
   Caremark Inc.
   P.O. Box 52084
   Phoenix, AZ 85072-2084
   Fax: 1-866-443-1172

Caremark's clinical staff will carefully review your waiver request, and you will be notified in writing of the outcome. If the waiver request is approved, the Non-Preferred Brand copayment will be waived, and you will be charged the Medically Necessary Non-Preferred Brand copayment for that specific non-preferred prescription in the future. Failure to establish a supportable medical need for a Non-Preferred Brand-Name Medication will result in denial of the waiver request.

If you are dissatisfied with the determination made by Caremark, you may request a final administrative review from CalPERS within thirty (30) days of receipt of your appeal denial letter using the procedure set forth on pages 81 and 82 in your Evidence of Coverage booklet.

The Plan reserves the right to periodically re-evaluate the medical necessity of the waiver of the Non-Preferred Brand copayment. As part of this review, you may be required to submit information from your physician to support the continued medical necessity of the Non-Preferred Brand drug. Failure to timely submit this documentation can result in repeal of the waiver of the Non-Preferred Brand copayment, and you will be charged the applicable Non-Preferred Brand copayment.

3. All Denials of Direct Reimbursement Claims

Some direct reimbursement claims for prescription drugs are not payable when first submitted to Caremark. If Caremark determines that a claim is not payable in accordance with the terms of the Plan, Caremark will notify the Plan Member in writing explaining the reason(s) for nonpayment.

PRESCRIPTION DRUG APPEAL PROCEDURE

If the claim has erroneous or missing data that may be needed to properly process the claim, the Member may be asked to resubmit the claim with complete information to Caremark. If after resubmission, the claim is determined to be payable in whole or in part, Caremark will take necessary action to pay the claim according to established procedures. If the claim is still determined to be not payable in whole or in part after resubmission, Caremark will inform the Plan Member in writing of the reason(s) for denial of the claim.

If you are dissatisfied with the determination made by Caremark, you may request a final administrative review from CalPERS within thirty (30) days using the procedure set forth on pages 81 and 82.

CalPERS FINAL ADMINISTRATIVE DETERMINATION PROCEDURE

If the Plan Member remains dissatisfied after the appeal procedures of the appropriate third-party administrator have been exhausted, the Member may appeal to CalPERS. This appeal must be submitted in writing to CalPERS within thirty (30) days from the postmark date of the administrator's final determination.

The appeal must be mailed to:

CalPERS Office of Employer and Member Health Services
Appeals Coordinator — PERS Choice Health Plan
P.O. Box 942714
Sacramento, CA 94229-2714

The appeal must set forth the facts and the law upon which the appeal is based. The time limit may be extended an additional thirty (30) days if good cause is shown; however, in no event will an appeal be accepted more than sixty (60) days after the postmark date of the Plan's final administrative determination.

Examples of what may be appealed include, but are not limited to:
- Failure to properly pay incurred expenses.
- Denial of approval for covered services.

Examples of what may not be appealed include, but are not limited to:
- Medical malpractice.
- Denial of services and benefits specifically excluded from coverage.

If CalPERS accepts the appeal, the following procedures apply.

1. Administrative Review

The Plan Member may present information or arguments in writing to support his or her position. CalPERS staff will attempt to resolve or address the Member's concern(s) in writing within thirty (30) days from the date all pertinent information is received by CalPERS.

2. Administrative Hearing

If the dispute remains unresolved following the Administrative Review process, the matter may proceed through the administrative hearing process. These hearings are conducted in accordance with the Administrative Procedure Act (Government Code Section 11500 et seq.). These hearings are formal legal proceedings presided over by an Administrative Law Judge (ALJ), and Plan Members unrepresented by an attorney should become familiar with this law and its requirements if they choose to appeal to this level.

3. Appeal Beyond Administrative Process

Upon exhaustion of the appeal process outlined above, if a Member is still dissatisfied with the outcome, he or she may appeal to the courts.

Civil legal remedies may not be commenced until the Plan Member has complied with these administrative procedures.

CalPERS FINAL ADMINISTRATIVE DETERMINATION PROCEDURE

Summary of Process and Rights of Plan Members

- **Right to records, generally.** The Plan Member may, at his or her own expense, obtain copies of all non-medical and non-privileged medical records from the administrator and/or CalPERS, as applicable.

- **Records subject to attorney-client privilege.** Communication between an attorney and a client, whether oral or in writing, will not be disclosed under any circumstances.

- **Attorney Representation.** At any stage of the appeal proceedings, the Plan Member may be represented by an attorney. If the Member chooses to be represented by an attorney, the Member must do so at his or her own expense. Neither CalPERS nor the administrator will provide an attorney or reimburse the Member for the cost of an attorney even if the Member prevails on appeal.

- **Right to experts and consultants.** At any stage of the proceedings, the Plan Member may present information through the opinion of an expert, such as a physician. If the Member chooses to retain an expert to assist in presentation of a claim, it must be at the Member's own expense. Neither CalPERS nor the administrator will reimburse the Member for the costs of experts, consultants or evaluations.

Service of Legal Process

Legal process or service upon the Plan must be served at:

CalPERS Legal Office
Lincoln Plaza North
400 "Q" Street
Sacramento, CA 95814

MONTHLY RATES

State Employees and Annuitants

Type of Enrollment	Enrollment Code	Cost
Insured Only	2221	$400.58
Insured and One Dependent	2222	$801.16
Insured and Two or More Dependents	2223	$1,041.51

The rates shown above are effective January 1, 2006, and will be reduced by the amount the State of California contributes toward the cost of your health benefits plan. These contribution amounts are subject to change. Any such change will be accomplished by the State Controller or affected retirement system without action on your part. For current contract information, contact your employing agency's or retirement system's Health Benefits Officer.

Rate Change. The CalPERS Board of Administration reserves the right to change the rates set forth above, in its sole discretion, upon sixty (60) days' written notice to Plan subscribers.

MONTHLY RATES

Public Agency Employees and Annuitants

Bay Area/Sacramento Region. Counties of Alameda, Amador, Contra Costa, El Dorado, Marin, Napa, Nevada, Placer, Sacramento, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Sutter, Yolo, and Yuba.

Type of Enrollment	Enrollment Code	Cost
Insured Only	3201	$404.59
Insured and One Dependent	3202	$809.18
Insured and Two or More Dependents	3203	$1,051.93

Los Angeles Region. Counties of Los Angeles, San Bernardino, and Ventura.

Type of Enrollment	Enrollment Code	Cost
Insured Only	3211	$376.55
Insured and One Dependent	3212	$753.10
Insured and Two or More Dependents	3213	$979.03

Other Southern California Counties. Counties of Fresno, Imperial, Inyo, Kern, Kings, Madera, Orange, Riverside, San Diego, San Luis Obispo, Santa Barbara, and Tulare.

Type of Enrollment	Enrollment Code	Cost
Insured Only	3231	$384.56
Insured and One Dependent	3232	$769.12
Insured and Two or More Dependents	3233	$999.86

Other Northern California Counties. Counties of Alpine, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Plumas, San Benito, Shasta, Sierra, Siskiyou, Stanislaus, Tehama, Trinity, and Tuolumne.

Type of Enrollment	Enrollment Code	Cost
Insured Only	3221	$420.61
Insured and One Dependent	3222	$841.22
Insured and Two or More Dependents	3223	$1,093.59

MONTHLY RATES

Out-of-California. All other states.

Type of Enrollment	Enrollment Code	Cost
Insured Only	3241	$440.64
Insured and One Dependent	3242	$881.28
Insured and Two or More Dependents	3243	$1,145.66

The rates shown above are effective January 1, 2006, and will be reduced by the amount your public agency contributes toward the cost of your health benefits plan. This amount varies among public agencies. For assistance in calculating your net cost, contact your employing agency's or your retirement system's Health Benefits Officer.

Rate Change. The CalPERS Board of Administration reserves the right to change the rates set forth above, in its sole discretion, upon sixty (60) days' written notice to Plan subscribers.

DEFINITIONS

Accidental Injury — definite trauma resulting from a sudden, unexpected and unplanned event, occurring by chance, caused by an independent external source.

Act — the Public Employees' Medical and Hospital Care Act (Part 5, Division 5, Title 2 of the Government Code of the State of California).

Acute Condition/Care — care provided in the course of treating an illness, injury or condition marked by a sudden onset or change of status requiring prompt attention, which may include hospitalization, but which is of limited duration and not expected to last indefinitely.

Administrator —

1. denotes CalPERS as the global administrator of the Plan through the Self-Funded Health Plans Unit of the Office of Health Policy and Plan Administration of CalPERS, also referred to as "the Plan"; and
2. denotes entities under contract with CalPERS to administer the Plan, also known as "third-party administrators" or "administrative service organizations."

Allowable Amount — the Blue Cross of California (applying to Members residing in California or out-of-area) or the local Blue Cross and/or Blue Shield Plan (applying to Members outside California) allowance or negotiated amount as defined below for the service(s) rendered, or the provider's Billed Charge, whichever is less. The Allowance is:

1. the amount that Blue Cross of California or the local Blue Cross and/or Blue Shield Plan has determined is an appropriate payment for the service(s) rendered in the provider's geographic area, based on such factors as the Plan's evaluation of the value of the service(s) relative to the value of other services, market considerations, and provider charge patterns; or
2. such other amount as the Preferred Provider and Blue Cross of California or the local Blue Cross and/or Blue Shield Plan have agreed will be accepted as payment for the service(s) rendered; or
3. if an amount is not determined as described in either (1) or (2) above, the amount that Blue Cross of California or the local Blue Cross and/or Blue Shield Plan determines is appropriate considering the particular circumstances and the services rendered.

Alternative Birthing Center —

1. a birthing room located physically within a hospital to provide homelike outpatient maternity facilities, or
2. a separate birthing center that is certified or approved by a state department of health or other state authority and operated primarily for the purpose of childbirth.

Ambulatory Surgery Center — any public or private establishment with an organized medical staff of physicians; permanent facilities that are equipped and operated primarily for the purpose of performing surgical procedures; continuous physician services whenever a patient is in the facility; and which does not provide services or accommodations for patients to stay overnight.

Annuitant — is defined in accordance with the definition currently in effect in the Act and Regulations.

Appeal — refers to the Member's right to request review of decisions relating to the Member's rights under the Plan. The term includes all of the following: the internal review should be in accordance with the grievance procedure in the Plan, the Plan's final administrative review by CalPERS; the fair hearing accorded by statute; and any administrative and judicial review thereof.

Balance Billing — a request for payment by a provider to a Member for the difference between Blue Cross of California or Blue Cross and/or Blue Shield Plan Allowable Amounts and the Billed Charges.

Billed Charges — the amount the provider actually charges for services provided to a Member.

DEFINITIONS

Blue Cross — the claims administrator responsible for administering medical benefits and providing utilization review services under this Plan. As used in this Evidence of Coverage booklet, the term "Blue Cross" shall be used to refer to both Blue Cross of California and BC Life & Health Insurance Company. Blue Cross, as defined, is a separate and distinct entity from references to the Blue Cross and Blue Shield Association or Blue Cross and/or Blue Shield Plan providers.

Blue Cross Medical Policy — general medical policies that reflect the current scientific data and clinical thinking guidance for medical necessity and experimental/investigational determinations for new medical technologies, procedures, and certain injectable drugs and/or the new application of existing medical technologies, procedures, and certain injectable drugs. The Blue Cross Web site provides access to Blue Cross Medical Policy at www.bluecrossca.com. You can also call or write Blue Cross to obtain medical policy in writing.

Board — the Board of Administration of the California Public Employees' Retirement System (CalPERS).

Brand–Name Medication (Brand-Name Drug) — a drug which is under patent by its original innovator or marketer. The patent protects the drug from competition from other drug companies.

Calendar Year — a period commencing at 12:01 a.m. on January 1 and terminating at 12 midnight Pacific Standard Time on December 31 of the same year.

Centers of Expertise (COE) — health care providers that have a Centers of Expertise (COE) Agreement in effect with Blue Cross at the time services are rendered. COEs agree to accept the Plan payment plus applicable Member deductibles and copayments as payment in full for covered services. A Preferred Provider in the Prudent Buyer Plan Network is not necessarily a COE. A provider's participation in the Prudent Buyer Plan Network or other agreement with Blue Cross is not a substitute for a Centers of Expertise Agreement.

Centers of Expertise (COE) Transplant Facilities Negotiated Amount — the amount Centers of Expertise transplant facilities agree to accept as payment in full for covered services. It is usually lower than their normal charge. COE transplant facilities negotiated amounts are determined by Centers of Expertise Agreements.

Chiropractic Services — chiropractic services billed by any licensed physician will apply toward the chiropractic benefit calendar year maximum.

Christian Science Hospital — only nursing homes and sanitariums which are approved by The Commission for Accreditation of Christian Science Nursing Organizations/Facilities, Inc.

Christian Science Nurses — only those Christian Science nurses approved as such by The First Church of Christ Scientist, in Boston, Massachusetts.

Christian Science Practitioners — only those Christian Science practitioners approved as such by the Board of Directors, The First Church of Christ Scientist, in Boston, Massachusetts, and listed in the Christian Science Journal.

Chronic Care — treatment for an illness, injury or condition which does not require hospitalization (although confinement in a lesser facility may be appropriate), which may be expected to be of long duration, has no reasonably predictable date of termination, and may be marked by recurrence requiring continuous or periodic care as necessary.

Close Relative — the spouse, domestic partner, child, brother, sister or parent of a subscriber or family member.

Congenital Anomaly — an abnormality present at birth.

Contract Period — the period of time from January 1, 2006, through December 31, 2006.

DEFINITIONS

Cosmetic Procedure — any surgery, service, drug or supply primarily to improve the appearance (including appearance altered by disease, trauma, or aging) of parts or tissues of an individual. This definition does not apply to reconstructive surgery to restore a bodily function or to correct deformities resulting from injury or disease or caused by congenital anomalies, or surgery which is medically necessary following injury or disease to restore function.

Custodial Care — care provided either in the home or in a facility primarily for the maintenance of the patient or which is designed essentially to assist the patient in meeting his or her activities of daily living and which is not primarily provided for its therapeutic value in the treatment of illness or accidental injury. Custodial care includes, but is not limited to, help in walking, bathing, dressing, feeding (including the use of some feeding tubes not requiring skilled supervision), preparation of special diets, and supervision over self-administration of medication not requiring constant attention of trained medical personnel.

Disability — an injury, an illness (including any mental disorder), or a condition (including pregnancy); however,

1. all injuries sustained in any one accident will be considered one disability;
2. all illnesses existing simultaneously which are due to the same or related causes will be considered one disability;
3. if any illness is due to causes which are the same as or related to the causes of any prior illness, the succeeding illness will be considered a continuation of the previous disability and not a separate disability.

Drug — a prescribed drug approved by the Federal Food and Drug Administration for general use by the public. For the purposes of this Evidence of Coverage, insulin will be considered a prescription drug.

Durable Medical Equipment (Includes Prosthetic Appliances and Home Medical Equipment) — equipment which is: (1) determined to be medically necessary to treat an illness, injury or condition; (2) of no further use when medical needs end; (3) for the exclusive use of the patient; (4) not primarily for comfort or hygiene; (5) not for environmental control or for exercise; and (6) manufactured specifically for medical use. Home medical equipment includes items such as wheelchairs, hospital beds, respirators, and other items that the Plan determines are home medical equipment.

Elective (Non-emergency) Services — services provided when the patient's condition permits adequate time to schedule the necessary diagnostic work-up and/or initiation of treatment.

Emergency Care Services — those services required for the alleviation of the sudden onset of severe pain or the immediate diagnosis and treatment of an unforeseen illness or injury which could lead to further significant disability or death, or which would so appear to a prudent layperson.

Employee — is defined in accordance with the definition currently in effect in the Act and Regulations.

Employer — is defined in accordance with the definition currently in effect in the Act and Regulations.

Experimental or Investigational — any treatment, therapy, procedure, drug or drug usage, facility or facility usage, equipment or equipment usage, device or device usage, or supplies which are not recognized in accordance with generally accepted professional medical standards as being safe and effective for use in the treatment of an illness, injury, or condition at issue. Services which require approval by the federal government or any agency thereof, or by any state governmental agency, prior to use, and where such approval has not been granted at the time the services were rendered, shall be considered experimental or investigational. Services which themselves are not approved or recognized as being in accord with accepted professional medical standards, but nevertheless are authorized by law or a government agency for use in testing, trials, or other studies on human patients, shall be considered experimental or investigational. Any issue as to whether a protocol, procedure, practice, medical theory, or treatment is experimental or investigational will be resolved by Blue Cross, which will have full discretion to make such determination on behalf of the Plan and its participants.

Family Member — an employee's or annuitant's lawful spouse and any unmarried child under age twenty-three (23), including an adopted child, a stepchild, or recognized natural child who lives with the employee or annuitant in a regular parent-child relationship. It also includes an unmarried child under age twenty-three (23) who is economically dependent upon the employee or annuitant while there exists a parent-child relationship, or is dependent upon the employee or annuitant for medical support by reason of a court order. It also includes an unmarried child age twenty-three (23) or over who is incapable of self-support because of a physical or mental disability which existed continuously from a date prior to attainment of age twenty-three (23). In addition, a family member shall include a domestic partner as defined in Section 22770 of the Act.

FDA — Food and Drug Administration.

Generic Medication (Generic Drug) — a Prescription Drug manufactured and distributed after the patent of the original Brand-Name Medication has expired. The generic drug must have the same active ingredient, strength and dosage form as its Brand-Name Medication counterpart. A generic drug costs less than a Brand-Name Medication.

Health Professional — dentist; optometrist; podiatrist or chiropodist; clinical psychologist; chiropractor; acupuncturist; clinical social worker; marriage, family and child counselor; physical therapist; speech pathologist; audiologist; licensed occupational therapist; physician assistant; registered nurse; registered dietitian for the provision of diabetic medical nutrition therapy only; a nurse practitioner and/or nurse midwife providing services within the scope of practice as defined by the appropriate clinical license and/or regulatory board.

Homebound — Members are considered to be "homebound" if they have a condition due to an illness or injury that restricts their ability to leave their place of residence.

Home Health Agencies — home health care providers which are licensed according to state and local laws to provide skilled nursing and other services on a visiting basis in your home and recognized as home health providers under Medicare.

Home Health Aide — (In California) an aide who has successfully completed a training program approved by the California Department of Health Services pursuant to applicable federal and state regulation, is employed by a home health agency or hospice program, provides personal care services in the patient's home, and is certified pursuant to Section 1736.1 of the Health and Safety Code. (Outside California) an aide who has successfully completed a state-established or other training program that meets certain federal requirements.

Home Infusion Therapy — refers to a course of treatment whereby a liquid substance is introduced into the body for therapeutic purposes. The infusion is done in the home at a continuous or intermittent rate.

Home Infusion Therapy Provider — a provider licensed according to state and local laws as a pharmacy, and must be either certified as a home health care provider by Medicare, or accredited as a home pharmacy by the Joint Commission on Accreditation of Health Care Organizations.

Home Medical Equipment (Durable Medical Equipment) — see definition under Durable Medical Equipment.

Hospice Care — care received under a program that is: (1) designed to provide palliative and supportive care to individuals who have received a diagnosis of terminal illness; (2) supportive to the covered family members by providing certain services; (3) licensed or certified in the jurisdiction where the program is established; (4) directed and coordinated by medical professionals; and (5) approved by the Plan.

Hospital —

1. a licensed facility which is primarily engaged in providing, for compensation, medical, diagnostic and surgical facilities for the care and treatment of ill and injured persons on an inpatient basis, and which provides such facilities under the supervision of a staff of physicians and 24-hour-a-day nursing service by registered nurses. An institution which is principally a rest home, nursing home or home for the aged is not included; or

2. a psychiatric hospital accredited by the Joint Commission on Accreditation of Healthcare Organizations; or

3. a facility operated primarily for the treatment of substance abuse and accredited by the Joint Commission on Accreditation of Healthcare Organizations; or

4. a psychiatric health facility as defined in Section 1250.2 of the Health and Safety Code.

Incentivized Copayment Structure — Members may receive any covered drug with copayment differentials between a generic medication, Preferred brand-name medication, and Non-Preferred brand-name medication.

Incurred Charge — a charge shall be deemed "incurred" on the date the particular service or supply is provided or obtained.

Infusion Center — Any location, licensed according to state and local laws, in which medically necessary intravenous prescription drugs are administered.

Inpatient — an individual who has been admitted to a hospital as a registered acute bed patient (overnight) and who is receiving services which could not be provided on an outpatient basis, under the direction of a physician.

Maintenance Medications — Drugs that do not require frequent dosage adjustments, which are usually prescribed to treat a long-term condition, such as birth control, or a chronic condition, such as arthritis, diabetes, or high blood pressure. These drugs are usually taken longer than sixty (60) days.

Mandible — lower jawbone.

Masticatory Musculature — muscles involved in chewing.

Maxilla — upper jawbone.

Maxillomandibular — pertaining to the maxilla and mandible.

Medically Necessary — see the Medical Necessity provision on page 15.

Medicare — refers to the programs of medical care coverage set forth in Title XVIII of the Social Security Act as amended by Public Law 89-97 or as thereafter amended.

Member — see Plan Member.

Negotiated Amount — the amount agreed upon between Blue Cross of California or the local Blue Cross and/or Blue Shield Plan and the Preferred Hospitals they have contracted with to provide medically necessary contractual benefits as described in this Evidence of Coverage booklet.

Non-Participating Pharmacy — a pharmacy which has not agreed to Caremark's terms and conditions as a Participating Pharmacy. Members may visit the Caremark Web site at www.caremark.com, or contact Caremark's Customer Service at 1-866-999-7377 to locate a Participating Pharmacy.

Non-Preferred Brand-Name Medication — Medications not listed on your printed Caremark Preferred Drug List. If you would like to request a copy of Caremark's Preferred Drug List, please visit the Caremark Web site at www.caremark.com, or contact Caremark Customer Service at 1-866-999-7377. Medications that are recognized as Non-Preferred, and that are covered under your Plan will require the highest (third tier) copayment.

Non-Preferred Provider (Non-PPO) — a group of physicians, hospitals or other health professionals that (1) do not have a Prudent Buyer Plan Participating Provider Agreement in effect with Blue Cross of California at the time services are rendered, or (2) do not participate in a Blue Cross and/or Blue Shield Plan network outside California at the time services are rendered. Any of the following types of providers may be non-PPO Providers: physicians, hospitals, ambulatory surgery centers, home health agencies, facilities providing diagnostic imaging services, durable medical equipment providers, skilled nursing facilities, clinical laboratories, and home infusion therapy providers.

DEFINITIONS

Occupational Therapy — treatment under the direction of a physician and provided by a licensed occupational therapist utilizing arts, crafts or specific training in daily living skills to improve and maintain a patient's ability to function.

Open Enrollment Period — a period of time established by the CalPERS Board of Administration during which eligible employees and annuitants may enroll in a health benefits plan, add family members, or change their enrollment from one health benefits plan to another without any additional requirements.

Other Providers — providers that are not represented in the Prudent Buyer Plan Network in California or in a Blue Cross and/or Blue Shield network of Preferred Providers outside California. In California, contact Blue Cross of California for information regarding which providers are represented in the Prudent Buyer Plan Network. Outside California, call 1-800-810-BLUE (1-800-810-2583) for information regarding which providers are represented in a Blue Cross and/or Blue Shield network outside California.

Out-of-Area — see page 10.

Outpatient — an individual receiving services under the direction of a physician but not incurring overnight charges at the facility where services are provided.

Outpatient Facility — a licensed facility, other than a physician's office or hospital, that provides medical and/or surgical services on an outpatient basis.

Over-the-Counter Drugs (OTC) — A drug product that does not require a prescription under federal or state law. PERS Choice pharmacy program does not cover OTC products, with the exception of insulin.

Participating Pharmacy — a pharmacy which is under an agreement with Caremark to provide prescription drug services to Plan Members. Members may visit the Caremark Web site at www.caremark.com, or contact Caremark's Customer Service at 1-866-999-7377 to locate a Participating Pharmacy.

Pharmacy — a licensed facility for the purpose of dispensing prescription medications.

Physical Therapy — treatment under the direction of a physician and provided by a licensed physical therapist or occupational therapist utilizing physical agents, such as ultrasound, heat and massage, to improve a patient's musculoskeletal, neuromuscular and respiratory systems.

Physician — a doctor of medicine (M.D.) or doctor of osteopathy (D.O.) who is duly licensed and qualified under the law of jurisdiction in which treatment is received.

Physician Member — a licensed physician who has contracted with Blue Cross of California to furnish services and to accept Blue Cross of California's payment, plus applicable deductibles and copayments, as payment in full for covered services.

Plan — means PERS Choice. PERS Choice is a self-funded health plan established and administered by CalPERS (the plan administrator and insurer) through contracts with third-party administrators: Blue Cross and Caremark.

Plan Member — any employee, annuitant or family member enrolled in PERS Choice.

Plastic Surgery — surgery to correct congenital or developmental abnormalities or characteristics which are outside the broad range of normal.

Precertification — the Plan's requirement for advance authorization of certain services to assess the medical necessity, efficiency and/or appropriateness of health care services or treatment plans. These services will be covered only on a case-by-case basis as determined by the Plan. This term does not include the determination of eligibility for coverage or the payment of benefits under the Plan.

Preferred Brand-Name Medication — A medication found on Caremark's Preferred Drug List and evaluated based on the following criteria: safety, side effects, drug-to-drug interactions, and cost effectiveness. If you would like to request a copy of Caremark's Preferred Drug List, please visit Caremark's Web site at www.caremark.com, or contact Caremark Customer Service at 1-866-999-7377.

DEFINITIONS

Preferred Drug List — A list of medications that are more cost effective and offer equal or greater therapeutic value than the other medications in the same drug category. The Caremark Pharmacy and Therapeutics Committee conducts a rigorous clinical analysis to evaluate and select each Preferred Drug List medication for safety, side effects, drug-to-drug interactions and cost effectiveness. The Preferred product must (1) meet participant's treatment needs, (2) be clinically safe relative to other drugs with the same indication(s) and therapeutic action(s), (3) be effective for FDA approved indications, (4) have therapeutic merit compared to other effective drug therapies, and (5) promote appropriate drug use.

Preferred Hospital — a hospital under contract with Blue Cross of California or a Blue Cross and/or Blue Shield Plan which has agreed to furnish services and to accept Blue Cross of California's payment or the local Blue Cross and/or Blue Shield Plan's payment, plus applicable deductibles and copayments, as payment in full for covered services.

Preferred Provider (PPO) — a group of physicians, hospitals or other health professionals that (1) have a Prudent Buyer Plan Participating Provider Agreement in effect with Blue Cross of California at the time services are rendered, or (2) participate in a Blue Cross and/or Blue Shield Plan network outside California at the time services are rendered. Any of the following types of providers may be PPO Providers: physicians, hospitals, ambulatory surgery centers, home health agencies, facilities providing diagnostic imaging services, durable medical equipment providers, skilled nursing facilities, clinical laboratories and home infusion therapy providers.

Prescription — a written order issued by a licensed prescriber for the purpose of dispensing a Drug.

Prescription Drugs — (1) all drugs which under federal or state law require the written prescription of a physician, dentist, podiatrist, osteopath or an authorized professional; (2) insulin; (3) hypodermic needles and syringes if prescribed by a physician for use with a covered drug; (4) glucose test strips; and (5) such other drugs and items, if any, not set forth as an exclusion.

Prescription Legend Drug — any medicinal substance, the label of which is required, under the Federal Food, Drug and Cosmetic Act, to bear the legend "Caution: Federal laws prohibit dispensing without a prescription."

Prescription Order — the request for each separate drug or medication by a physician and each authorized refill of such request.

Prosthetic Appliances — see definition under Prosthetic Devices.

Prosthetic Devices — appliances which replace all or part of the function of a permanently inoperative, absent or malfunctioning body part. "Prosthetic Devices" includes rigid or semi-supportive devices which restrict or eliminate motion of a weak or diseased part of the body.

Psychiatric Care — psychoanalysis, psychotherapy, counseling or other care most commonly provided by a psychiatrist, psychologist, licensed clinical social worker, or marriage, family and child counselor to treat a nervous or mental disorder, or to treat mental or emotional problems associated with illness or injury.

Reasonable charge — a charge Blue Cross considers not to be excessive based on the circumstances of the care provided, including: (1) level of skill; experience involved; (2) the prevailing or common cost of similar services or supplies; and (3) any other factors which determine value.

Reconstructive Surgery — surgery to correct deformities resulting from injury or disease, or surgery which is medically necessary following injury or disease to restore an individual to normal.

Regulations — the Public Employees' Medical and Hospital Care Act Regulations as adopted by the CalPERS Board of Administration and set forth in Subchapter 3, Chapter 2, Division 1, Title 2 of the California Code of Regulations.

DEFINITIONS

Rehabilitation or Rehabilitative Care — care furnished primarily to restore an individual's ability to function as normally as possible after a disabling disease, illness, injury or addiction. Rehabilitation or rehabilitative care services consist of the combined use of medical, social, educational, occupational/vocational treatment modalities and are provided with the expectation that the patient has restorative potential and will realize significant improvement in a reasonable length of time. Benefits for services for rehabilitation or rehabilitative care are limited to those specified under Precertification (see page 45).

Residential treatment facility — a treatment facility where the individual resides in a modified community environment and follows a comprehensive medical treatment regimen for treatment and rehabilitation as the result of a mental disorder, serious emotional disturbance of a child, severe mental illness or substance abuse. The facility must be licensed to provide psychiatric treatment of mental disorder, serious emotional disturbance of a child or severe mental illness, or rehabilitative treatment of substance abuse according to state and local laws.

Respite Care — continuous care of the patient in the most appropriate setting for the primary purpose of providing temporary relief to the family from the duties of caring for the patient.

Serious Emotional Disturbances of a Child — defined as a child who:

1. has one or more mental disorders as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, other than a primary substance abuse disorder or developmental disorder, that result in behavior inappropriate to the child's age according to expected developmental norms; and
2. is under the age of eighteen (18) years old; and
3. meets one or more of the following criteria:
    a. as a result of the mental disorder, the child has substantial impairment in at least two of the following areas: self-care, school functioning, family relationships, or ability to function in the community; and either of the following occurs:
        1. the child is at risk of removal from the home or has already been removed from the home,
        2. the mental disorder and impairments have been present for more than six months or are likely to continue for more than one year without treatment; or
    b. the child displays one of the following: psychotic features, risk of suicide, or risk of violence due to a mental disorder; or
    c. the child meets special education eligibility requirements under Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code.

Services — includes medically necessary health care services and medically necessary supplies furnished incident to those services.

Severe Mental Illness — includes the following conditions: schizophrenia, schizoaffective disorder, bipolar disorder (manic-depressive illness), major depressive disorders, panic disorder, obsessive-compulsive disorder, pervasive developmental disorder or autism, anorexia nervosa, and bulimia nervosa.

Skilled Care — skilled supervision and management of a complicated or extensive plan of care for a patient instituted and monitored by a physician, in which there is a significantly high probability, as opposed to a possibility, that complications would arise without the skilled supervision or implementation of the treatment program by a licensed nurse or therapist.

Skilled Nursing Facility — a facility which is:

1. licensed to operate in accordance with state and local laws pertaining to institutions identified as such;
2. listed as a skilled nursing facility by the American Hospital Association and accredited by the Joint Commission on Accreditation of Healthcare Organizations and related facilities; or
3. recognized as a skilled nursing facility by the Secretary of Health and Human Services of the United States Government pursuant to the Medicare Act.

DEFINITIONS

Specialty or Biotech drugs — These drugs are very expensive therapies prescribed to treat specific chronic conditions such as multiple sclerosis, hemophilia, or growth hormone deficiency. Specialty and biotech drugs are often self-injectable or infused medications, but can also be oral therapies.

Speech Therapy — treatment under the direction of a physician and provided by a licensed speech pathologist or speech therapist to improve or retrain a patient's vocal skills which have been impaired by illness or injury.

Standard Wheelchair — a fixed-arm wheelchair, with swing-away foot rests, that does not include any additional attachments and is not motorized, customized or considered lightweight.

Stay — an inpatient confinement which begins when you are admitted to a facility and ends when you are discharged from that facility.

Subscriber — the person enrolled who is responsible for payment of premiums to PERS Choice, and whose employment or other status, except family dependency, is the basis for eligibility for enrollment under this Plan.

Take-Home Prescription Drugs — prescription drugs which are dispensed prior to discharge from an inpatient setting.

Telemedicine — diagnosis, consultation, treatment, transfer of medical data and medical education through the use of advanced electronic communication technologies such as interactive audio, video or other electronic media that facilitates access to health care services or medical specialty expertise. Standard telephone, facsimile or electronic mail transmissions, or any combination therein, in the absence of other integrated information or data adequate for rendering a diagnosis or treatment, do not constitute telemedicine services.

Temporomandibular Joint (TMJ) — the joint that connects the lower jaw (mandible) to the skull.

Temporomandibular Disorder (TMD) — a collective term embracing a number of clinical problems that involve the masticatory muscles, the temporomandibular joint, or both. Common patient complaints include jawache, headache, earache, and facial pain; and there may be associated limited or asymmetric jaw movement and joint sounds.

Terminal Illness — an illness in which it is reasonably certain that the patient has less than six (6) months to live. The patient's treating physician must provide written certification that the patient is terminally ill.

Total Disability —

1. with respect to an employee or person otherwise eligible for coverage as an employee, a disability which prevents the individual from working with reasonable continuity in the individual's customary employment or in any other employment in which the individual reasonably might be expected to engage;
2. with respect to an annuitant or a family member, a disability which prevents the individual from engaging with normal or reasonable continuity in the individual's customary activities or in those in which the individual otherwise reasonably might be expected to engage.

Treatment in Absentia — Christian Science practitioners or nurses rendering services, such as consultation or prayer via the telephone.

Treatment Plan — services or a plan of treatment preauthorized by the Plan during a contract period that must be commenced during the same contract period. To qualify for continuing treatment in a subsequent contract period, the services or plan of treatment must be reauthorized. Otherwise, only the benefits in effect during a contract period are available or covered.

United States — in regard to services available through the BlueCard network, the United States is defined as all the states and the District of Columbia.

Preventive Care Guidelines for Healthy Children, Adolescents, Adults, and Seniors

These guidelines are for information only and may be subject to change. Additionally, your Preferred Provider may modify these guidelines based on your health and history or individual risk factors. Please talk to your medical professional carefully about individual risk factors when making decisions about diagnostic tests.

These guidelines were adapted from the U.S. Preventive Services Task Force *Guide to Clinical Preventive Services* (2nd edition). Immunizations for infants and children are recommended in accordance with recommendations of the American Academy of Pediatrics, the American Academy of Family Physicians, and Blue Cross of California adopted guidelines under Healthy Living http://www.bluecrossca.com.

Children: Birth to 10 years

Health Screens	**Frequency**
Height, Weight, and Newborn Hearing	Annually and/or as recommended by your physician.
Blood Pressure	Annually and/or as recommended by your physician.
Hemoglobin/Hematocrit	At 6-12 months and at 15 months, 5 years for high risk for iron deficiency.
Test for thyroid activity, galactose metabolism disorder, hemoglobin (blood) disorder, phenylketonuria level (PKU), vision impairment	After birth, prior to hospital discharge but no later than 6th day of life. Thyroid activity screening can be done after birth, optimally at 2–6 days.
Vision Screening	Screening for medical eye conditions which may need further evaluations by an eye specialist (eye refractions in preparation for glasses not included).
Lead Screening	At 9-12 months and at 24 months in accordance with state law. Discuss risk with your physician.
Tuberculosis Screening	Discuss risk with your physician.
Hepatitis C Screening	Discuss with your physician.
Immunizations	**Frequency**
Diphtheria, Tetanus, and Pertussis (DTaP or DTP)	Five doses: age 2, 4, 6, 15–18 months, and 4–6 years.
IPV (inactivated polio virus)	Four doses: age 2, 4, 6–18 months, and 4–6 years.
Measles, Mumps, & Rubella (MMR)	Two doses: age 12-15 months, and either 4–6 years or 11–12 years.
H. Influenza Type B (Hib)	Four doses: age 2, 4, 6, and 12–15 months.
Hepatitis B. Those who have not previously received three doses of hepatitis B vaccine should initiate or complete the series at age 11–12 years.	Three doses: at birth–age 2 months (preferably prior to hospital discharge); 1–4 months; and 6–18 months.
Hepatitis A	24 months - 12 years (2 doses, the second administered 6-18 months after the first).
Influenza	Annually, each fall season, for healthy children 6-24 months and for at risk individuals
Pneumococcal Conjugate (Prevnar)	2,4,6 months, booster 12-15 months; 2-5 years for high risk or if not previously vaccinated
Chickenpox (varicella virus)	Age 12–18 months. Children who lack a reliable history of chickenpox should be vaccinated at 11–12 years of age.

Preventive Care Guidelines for Healthy Children, Adolescents, Adults, and Seniors

Adolescents: Ages 11–24 years

Health Screens	**Frequency**
Height, Weight, and Hearing	Annually and/or as recommended by your physician.
Blood Pressure	At least every 2 years or as recommended by your physician.
Papanicolaou (Pap test for women)	Every 1–3 years, beginning at age 18 or earlier if sexually active.
Chlamydia Test	Recommended for sexually active female adolescents under age 25 and in other women with risk factors for infection.
Hepatitis C Screening	Discuss with your physician.
Skin Cancer Screening	Discuss with your physician
Total Cholesterol & High-Density Lipoprotein (HDL)	Discuss with your physician
Tuberculosis Screening	Discuss with your physician
Rubella susceptibility by history of vaccination or serologic tests for antibodies	Recommended for all women of childbearing age.
Immunizations	**Frequency**
Td Booster (tetanus, diphtheria)	At 11-16 years.
Hepatitis A	2-12 years (2 doses, the second administered 6-18 months after the first), 12-18 years, discuss with your physician
Hepatitis B	Those who have not previously received three doses of hepatitis B vaccine should initiate or complete the series at age 11-12 years.
Influenza	Annually, each fall season, for at risk individuals
Meningococcal	Discuss with your physician about disease and benefits of vaccination for high risk.
Measles, Mumps, & Rubella (MMR)	At age 11–12 years if no previous second dose of MMR was received.
Chickenpox (varicella virus)	Unvaccinated persons who lack a reliable history of chickenpox should be vaccinated at age 11–12 years. Persons age 13 years and older should receive two doses at least one month apart.
Rubella	Females over age 12 years who are rubella susceptible.
Lyme Disease	For persons over age 15 with a high risk of contracting Lyme disease.

Preventive Care Guidelines for Healthy Children, Adolescents, Adults, and Seniors

Adults: Ages 25–64 years

Health Screens	**Frequency**
Height & Weight	Annually and/or as recommended by your physician.
Blood Pressure	At least every 2 years or as recommended by your physician.
Total Blood Cholesterol & High-Density Lipoprotein (HDL)	Periodic screenings are recommended for men ages 35 and older; women ages 45 and older.
Papanicolaou (Pap test for women)	At least every 1–3 years.
Prostate Cancer Screening (PSA test for men)	Discuss PSA screening with your physician. Discuss testicular self-examination with your physician.
Chlamydia Screening	All sexually active women ages 25 and younger. Discuss with your physician.
Colorectal Cancer Screening: fecal occult blood test and/or sigmoidoscopy, colonoscopy or double contrast barium enema	Beginning at age 50. Every 5 years. Discuss test method and frequency with your physician.
Mammogram & Breast Examination	Breast examination recommended annually by your physician.
Hepatitis C Screening	Discuss with your physician.
Skin Cancer Screening	Discuss with your physician.
Tuberculosis Screening	Discuss with your physician.
Screening for rubella susceptibility by history of vaccination or serologic tests for antibodies	Recommended for all women of childbearing age.
Sexually Transmitted Diseases	Recommended for all sexually active individuals.
Bone Densitometry	Discuss bone mass measurement and risk factors of osteoporosis with your physician.
Immunizations and HRT	**Frequency**
Td Booster (tetanus, diphtheria)	Once every 10 years; 15–30 year intervals for adults who received a five-dose childhood series.
Rubella	Once for all women of childbearing age without proof of immunization/immunity.
Measles, Mumps & Rubella (MMR)	Once for those without proof of immunity or if no previous 2nd dose.
Hepatitis B	Discuss with your physician.
Chickenpox (varicella virus)	Discuss with your physician for high risk, 2 doses 4-8 weeks apart.
Influenza (flu)	Annually each fall season.
Hormone Replacement Therapy (HRT)	Pre- and postmenopausal women should discuss benefits and risks with their physician.
Lyme Disease	For persons with a high risk of contracting Lyme disease.

Preventive Care Guidelines for Healthy Children, Adolescents, Adults, and Seniors

Seniors: Age 65 and older

Health Screens	**Frequency**
Height & Weight	Annually and/or as recommended by your physician.
Blood Pressure	Annually and/or as recommended by your physician.
Total Blood Cholesterol & High-Density Lipoprotein (HDL)	At least every 5 years. Discuss frequency and testing options with your physician.
Papanicolaou (Pap test for women)	Discuss with your physician.
Prostate Cancer Screening (PSA test for men)	Discuss PSA screening with your physician.
Colorectal Cancer Screening: fecal occult blood test and/or sigmoidoscopy, colonoscopy or double contrast barium enema	Discuss frequency and method with your physician
Mammogram & Breast Examination	Breast examination recommended annually by your physician.
Hepatitis C Screening	Discuss with your physician.
Skin Cancer Screening	Discuss with your physician
Visual Acuity	Screening for medical eye conditions which may need further evaluations by an eye specialist (eye refractions in preparation for glasses not included).
Hearing Impairment	Periodic screening. Discuss with your physician.
Bone Densitometry	Routinely. Discuss bone mass measurement and risk factors for osteoporosis with your physician.
Tuberculosis Screening	Discuss with your physician.
Immunizations and HRT	**Frequency**
Td Booster (tetanus, diphtheria)	Once every 10 years; at 15–30 year intervals for adults who received a five-dose childhood series.
Chickenpox (varicella virus)	High risk, 2 doses 4-8 weeks apart.
Pneumococcal	Once after age 65, booster may be required.
Influenza (flu)	Annually each fall season.
Hepatitis B	High risk. If not previously immunized, one dose at current visit, then at 1 and 6 months later.
Hormone Replacement Therapy (HRT)	Pre- and postmenopausal women should discuss benefits and risks with their physician.
Lyme Disease	For persons with a high risk of contracting Lyme disease.

FOR YOUR INFORMATION

Organ Donation

Each year, organ transplantation saves thousands of lives. The success rate for transplantation is rising but there are far more potential recipients than donors. More donations are urgently needed.

Organ donation is a singular opportunity to give the gift of life. Anyone age 18 or older and of sound mind can become a donor when he or she dies. Minors can become donors with parental or guardian consent.

Organ and tissue donations may be used for transplants and medical research. Today it is possible to transplant more than 25 different organs and tissues. Your decision to become a donor could someday save or prolong the life of someone you know, perhaps even a close friend or family member.

If you decide to become a donor, please discuss it with your family. Let your physician know your intentions as well. Obtain a donor card from the Department of Motor Vehicles. Be sure to sign the donor card and keep it with your driver's license or identification card.

While organ donation is a deeply personal decision, please consider making this profoundly meaningful and important gift.

Long-Term Care Program

Your PERS Choice health plan has strict limits on the long-term care services it provides. The Long-Term Care Program offered by CalPERS provides coverage for the extended care you could need due to a chronic disease, frailty of old age, or serious accident. It covers help with activities of daily living, such as bathing, eating and dressing. It also provides supervision and support for people with cognitive impairments such as Alzheimer's disease. Long-term care can be needed at any age.

The CalPERS Long-Term Care Program is not part of the PERS Choice health plan. If you want long-term care protection, you must purchase it separately. Please contact the CalPERS Long-Term Care Program at 1-800-338-2244 if you are interested in long-term care coverage.

Health Insurance Portability and Accountability Act (HIPAA) Information

CalPERS and its plan administrators comply with the federal Health Insurance Portability and Accountability Act (HIPAA) and the privacy regulations that have been adopted under it. Your privacy rights under HIPAA are detailed in CalPERS' Notice of Privacy Practices (NOPP) which is mailed annually to each subscriber as part of the annual open enrollment mailing. In addition, the current NOPP is always available on CalPERS' Web site at www.calpers.ca.gov. If you have any questions regarding your rights under HIPAA, please contact the CalPERS HIPAA coordinator at (888) CalPERS (225-7377). If you are outside of the United States, you should contact the operator in the country you are in to assist you in making the call.

Office of Health Policy and Plan Administration
Self-Funded Health Plans
California Public Employees' Retirement System
PER-0106-CHC

PERS Choice